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EMPLOYEE COMPENSATION

Dental plans

Dental insurance is expected to be a popular bargaining issue in employee compensation packages this year. The introduction of the AIB regulations in 1975 inhibited the development of dental plans because their cost was included in total compensation — but in the post-control era this is expected to change.

Unlike pensions or life insurance, dental benefits save tax dollars and can be realized immediately in both improved health and in reduced dental expenses.

At the end of 1976, more than 4 million people were covered by dental plans in Canada; all provincial governments, except British Columbia provided limited dental coverage for all residents and most provinces have extended coverage for children.

The cost to an employer for an intermediate dental plan is about $192 a year per family, but annual premiums for family coverage can range from $120 to more than $400 for comprehensive coverage.

The Conference Board of Canada has released a 111-page report titled *Dental Plans in Canada: A Growing Employee Benefit.*

WAGES

Study recommends policy for public sector

A study published by the Economic Council of Canada says governments should implement a wage policy for the public sector but that it can be effective only if public service unions agree to it. The first reaction from the 177,000-Public Service Alliance of Canada suggests any such agreement will not come easily, however.

The 117-page report, entitled *Wage Determination in Major Collective Agreements in the Private and Public Sectors,* was prepared by two academics from Université de Montréal, Robert Lacroix, director of the department of economics and Jean-Michel Cousineau, a professor at the school of industrial relations.

They do not recommend any specific public-sector wage policy but, in insisting on the need for union agreement with whatever policy is adopted, say this can be achieved "only if unions are convinced" that a policy is needed. They add, optimistically: "We feel that the results and analyses of our study may be of use in demonstrating" that need.

PSAC President Andrew I. Stewart was not convinced. In a statement issued Jan. 18 he challenged the validity of the report, claiming it is based on "hypothetical and unscientific statements."

The report says wage behavior in the public sector poses a serious threat to economic stability, particularly in periods of stagflation. The authors based their conclusion on a survey of more than 3,200 collective agreements covering bargaining units of 500 members or more in the public and private sectors during the 1967-75 period — before the anti-inflation program began. At the start of that period, public and quasi-public sector employees made up only 14 per cent of all workers covered by the major agreements; at the end of the period they made up almost 50 per cent.

The researchers find public-sector wages less sensitive to market conditions than those in the private sector, and say that wage developments in the public sector exert upward pressure on private-sector wages, with undesirable consequences for employment, inflation and the competitive position of the Canadian economy.

They contend also that there is no reason to control wages in the private sector since they are already subject to market restrictions, but add that private-sector wage settlements would be easier to achieve "if they were not regularly subject to the pressure of particularly generous settlements in the large public sector."

"As wages in the public sector are primarily the result of political decisions," they argue, "a wage

licy must be devised and imple-
nted essentially to guide such
cisions." That policy "must seek
bring public and private sector
ges in line."

his is obviously easier said than
ne, since any wage policy
vised unilaterally will not alter
ion pressure or the 'vulnera-
ity' of governments to such
essure," they state. That is why,
be effective "the policy must be
sed on agreement between the
rties concerned."

ewart says the study has
rongly" singled out the public
ctor as a source of inflationary
essure: "In reality, what
nadians have witnessed since
e beginning of collective bar-
ining in the public service is not
overtaking of private sector
ge rates but an attempt at
tching up."

e PSAC president said the
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ge behavior in the public sector
ses a serious threat to
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OLLECTIVE BARGAINING

aid educational leave

ne United Auto Workers Union
as negotiated 35 collective agree-
ents in Canada that provide paid
ave for union education. The
anadian Union of Public
mployees has adopted a strong
olicy statement on paid educa-
onal leave, and is urging its
cals to make it a priority issue in
argaining. And the International Union of Electrical Workers and the Canadian Paperworkers Union have also made it a bargaining issue.

Larry Wagg, education director of the Canadian Labour Congress, reported these developments in a Jan. 22 address to the Ontario Federation of Labour's education conference at Niagara Falls. He predicted that more CLC affiliates will be attaining paid educational leave through collective bargaining in the coming months.

Under the UAW agreements, Wagg said, the employer pays 1 cent per hour per employee into a trust fund established by the union to cover the cost of paid educational leave. The employers will grant leave of absence without pay for up to 20 days class time plus travelling time to members of the bargaining unit selected by the union each year.

As a result of this, and the recent federal grants for labour studies, community colleges and universities are reportedly showing increased interest in labour education.

LABOUR COSTS

Canada's position

Canada's international competitive position — measured in terms of labour costs per unit of output in local currency — deteriorated in relation to the United States during the 1970-76 period but improved in relation to seven other major industrial countries, according to a study by Citibank, New York. And in terms of U.S. dollars, Canada's position improved in relation to nine major industrial nations.

In terms of local currency, these are the respective percentage increases in unit labour costs for 11 countries during the period: Italy 137, Britain 126, Sweden 98, Japan 92, France 65, Netherlands 63, Belgium 60, Canada 52, Switzerland 41, Germany 38, U.S. 35.

These are the respective increases as measured in U.S. dollars: Switzerland 143, Sweden 135, Japan 132, Netherlands 123, Belgium 106, Germany 100, France 91, Italy 79, Britain 70, Canada 61, U.S. 35.

Statistics Canada reports that unit labour cost increases in the U.S. were less than half those in Canada for 1975 and 1976 — 7.4 per cent in the U.S. against 15.1 per cent in Canada in 1975, and 3.6 per cent and 8 per cent respectively in 1976.

DISCRIMINATION

Height and career

As many as half of all working Americans may be victims of a seldom discussed and unintentional discrimination: bias against short people, a *U.S. News and World Report* survey shows. It adds, the problem facing many short people is "they don't fit the image the boss has in mind" and are passed up for promotion and jobs but there is no legal recourse for the short person.

A separate survey by Robert Half, president of Robert Half Personnel Agencies Inc. of New York suggests the careers of millions have been hindered, even destroyed by the negative attitude of society toward shorter people. And a University of Pittsburgh study has revealed that men 6'2" or taller receive starting salaries 12.4 per

cent higher than those received by equally qualified men of 6' or shorter.

According to this U.S. survey, employers in the sales world believe a tall man is more intimidating and therefore better for sales work. In the blue-collar area, supervisors tend to believe short people cannot perform the hard tasks that go along with the job. Women trying to get into non-traditional jobs are often told they can't handle the work because they are too small.

WOMEN

"Biased" federal report

A federal study used as a basis for unemployment insurance policy, has come in for strong criticism in a report made public by the Advisory Council on the Status of Women.

The study was made public last year by Bud Cullen, minister of the Canada Employment and Immigration Commission, under the title "Comprehensive Review of the Unemployment Insurance Program in Canada." The Council said it was used in preparing amendments to the Unemployment Insurance Act, and that it is still in use as source material for an interdepartmental study of women in the labour force.

"Throughout this review, statements are made about women that bear no relationship to the data presented," says a report made public by Monica Townson, the Council's vice-president and director of research. The report was prepared for the Council by Elise Rosen and entitled "A Report on the Comprehensive Review of the Unemployment Insurance Program in Canada."

"Constant innuendoes about the labour force behaviour of women perpetuate widely-held myths and fail to take into account recent research on the subject," the report adds. "Women are referred to as 'secondary income earners with unstable employment patterns' leaving the reader with the strong impression that their salaries are not an essential part of family income.

"The Review is dangerously misleading in the picture it purports to draw of women claimants," Rosen adds. "It should not be used for policy purposes until a more thorough and detailed analysis of available information has been undertaken."

Rosen provides several examples to support her contention. One is the Review's discussion of labour force dropouts in which it says females have had more trouble finding jobs than males because females "might not have actively sought jobs and/or might have dropped out of the labour market." No statistical evidence is presented to support these statements, Rosen says, "but they are typical of the biased statements about female claimants to be found throughout the Review."

Sexual harassment

Sexual harassment on the job is just another part of the day-to-day routine reports *Ms.* magazine. The women hardest hit by sexual harassment are waitresses, clerks and factory workers — women who are poorly paid, cannot afford to quit their jobs and do not have the resources to pursue costly cases.

Many of these women complain they are threatened with loss of job, poor job recommendations and disgrace if they do not put up with harassment from their boss or co-workers (whose activities are sanctioned by the boss).

Ms. reports that women who file complaints through the proper channels are often ignored, or fired or miss promotions and they should file official complaints to the Human Rights Commission. The American periodical quotes Freada Klein of the Alliance Against Sexual Coercion as saying, "I hope this becomes a large movement — like rape, like battered women — because it's also an issue of violence against women. To have services, resources and options offered in every community...would be the greatest thing that could happen."

INDUSTRIAL RELATIONS

Britain passes disclosure law

British legislation passed in 1977 gives recognized trade unions the right to obtain from employers information they consider necessary for informed collective bargaining. A Code of Practice indicates broad areas of information which could be considered suitable subjects for disclosure and states an employer has no legal obligation to disclose specific information.

It has been argued that the disclosure provisions are advantageous to both sides of the bargaining table because having open facts, figures, policy intentions and forecasts will lead to intelligent and realistic bargaining.

The weight of responsibility falls more on the trade unions than the employers because the union must identify as precisely as possible, preferably before negotiations, the nature of the information required.

reover, the Code places a parti-
ar responsibility on unions to
sure negotiators are equipped
understand and use information
ectively."

DUSTRIAL DEMOCRACY

y to involvement

o social scientists who
ecialize in organizational
haviour have concluded that the
ongest single factor in
ployee involvement in a job is
degree of participation in
cision-making.

uglas T. Hall and Samuel
binowitz reviewed the available
search on job involvement and
blished their conclusions in the
ll 1977 issue of *The Wharton*
agazine. One of their assertions
that the style of the manager is
t so important as the actual
gree of decision-making an
nployee actually enjoys. They
id participation usually involves
e or more of five aspects:
tting work goals; deciding on
e methods and procedures to
hieve goals; setting the work
ce; participating in day-to-day
oblem-solving; expanding one's
o or role to perform more effi-
ently.

ey say the research does not
pport certain popular beliefs
out work involvement. For
ample, job involvement may not
gnificantly increase with higher
atus in the organization. Married
ople are not necessarily more
volved than unmarried people.
en as a group are not more job-
volved than women. Finally, it is
t always possible to make a
rect relationship between job
volvement and job performance.

haracteristics of the job-involved person would include a belief in the work ethic, a belief in personal control rather than control by outside forces, strong growth needs, and a sense of psychological success in work, the social scientists write.

Disclosure of information at McGraw-Hill

McGraw-Hill Inc. in the United States has adopted an "Employee Right to Know" policy intended to protect employees' privacy and to give individuals access to career-related information in their personnel files. Under the policy, personnel files are strictly confidential and information is disclosed only to authorized company personnel who need it for essential business purposes. Final warning memos are included in personnel files only where they result in an employee's dismissal; otherwise they are filed separately and destroyed when the particular problem is resolved. Finally, every employee is permitted to examine his own file and is not required to give a reason for doing so. However, the examination must be at an arranged time and in the presence of a senior personnel staff member or a local manager responsible for personnel. Employees may also request a review of information in the file which they consider to be inaccurate, misleading or unfair.

UNIONS

New generation of leaders

A new generation of younger, better educated and more outspoken union leaders are aiming to put the American labour movement on a more militant course says *U.S. News and World Report*.

In wage bargaining, the new union presidents are expected to be as tough as their predecessors, but their militance is expected to be most evident in political, social and legislative arenas.

The three biggest industrial unions in the U.S. will install new presidents soon — Douglas Fraser in the United Auto Workers, Lloyd McBride in the United Steelworkers and William Winpisinger in the Machinist's Union. At least eight replacements will occur on the AFL-CIO's 36-member executive council.

Labour organizations are expected to show more interest in enrolling new members but like the Machinists they will stop trying to organize plants that offer little hope of success and will closely target the organizing campaigns they do begin.

Winpisinger is convinced unions may be fighting a losing battle as long as labour's public image ranks "just ahead of Richard Nixon and just behind the used-car dealers."

HEALTH AND SAFETY

Radon claim accepted

The Ontario Workmen's Compensation Board has accepted the first work-related lung cancer claim for exposure to radon gas and its by-products above ground. Frank Hendrick, 63, who worked for Eldorado Nuclear Limited for 29 years at its uranium refinery in Port Hope, Ont., is considered 100 per cent disabled. He was involved in cleaning an industrial oven in 1955 and later in removing dust-bags from the ventilation system. Dr. William McCracken, executive director of the Board's medical

and rehabilitative services, says the company later phased out the processes that caused most of the trouble.

Acrylonitrile risk reduced

The United States labor department has taken emergency action to reduce the exposure of workers to an alleged cancer-causing chemical used in producing synthetic fibres. The emergency order, issued Jan. 16, is the first under the occupational safety and health administration's new policy to reduce the exposure of workers to cancer-causing chemicals. The order is to last for six months and reduces the amount of acrylonitrile workers may be exposed to in factories and processing plants to two parts per million parts of air, averaged over an eight-hour period. The previous permissible level was 20 parts. The administration said laboratory tests on mice establish that exposure to acrylonitrile poses a potential carcinogenic risk to humans.

U.S. government sued

An article in *Business Week* says a $5.7 million settlement proposed to end a lawsuit involving former asbestos workers may set an expensive precedent for government accountability.

"The case brought by former workers at a Pittsburgh Corning Corp. plant in Tyler, Texas, is the first instance of the government accepting responsibility for failing to warn workers about workplace hazards," writes Jane S. Shaw. "It raises serious questions about the boundaries of that responsibility."

In 1974, 445 former fabricators of asbestos insulators, some of whom had cancer, sued the federal government as well as the companies that owned the already closed plant. The workers charged all parties with responsibility for the dangerously high levels of asbestos in the plant. The case against the government was based on three charges: (1) When a now-defunct Public Health Service division found high levels of asbestos at the plant in 1964 it did not let the workers know because it had signed a secrecy agreement with the company. (2) Labor department officers found excessive asbestos levels but never notified the workers. (3) The General Services Administration, which supplied asbestos from a federal stockpile, did not label the asbestos bags as hazardous.

"Ironically, most of the issues are now moot," Shaw observes. "Such secrecy agreements are unthinkable today — and illegal. The Occupational Safety and Health Administration insists that companies prominently post violation notices, has proposed that employees have access to company accident records, and even requires employers to pay workers for the time they spend accompanying OSHA inspectors.

"Nonetheless, the proposed settlement could shatter the government's traditional immunity from liability for errors made by its employees in the course of their official duties. The initial effect will be to weaken the government's case in handling hundreds of pending lawsuits that charge OSHA with failing to inspect sites or to warn of hazards."

Shaw says the settlement could scuttle efforts by OSHA Administrator Eula Bringham to train inspectors to use their judgment and to give them more discretion in issuing *de minimus* citations, which do not result in fines or written notices. The ultimate result of the settlement, she adds, "may be that if an OSHA inspector makes a small error such as misreading an air-sampling device, the agency could be held legally responsible for an injury or an illness contracted by a worker who did not know the level of contamination he was exposed to."

THE WORKPLACE

Physical fitness programs in the U.S.

About 300 major companies in the United States offer all their employees physical fitness and exercise programs, according to the President's Council on Physical Fitness and Sports. Other firms offer special help to executives or to overweight employees, or diagnostic and other medical services to their workers.

Rising medical costs are only one of several reasons such plans are beneficial. They result in greater work output, more enthusiasm for work and less tension and "end of the day exhaustion," the Council says.

An example of the health programs offered is that of the Diamond Shamrock Corporation in Cleveland, Ohio. The chemical producing firm provides free medical examinations to its 700 employees. It hopes to identify occupational diseases by building up a medical history of each worker. The corporation provides the checkups in a specially built trailer, which 50 other companies have rented at a cost of more than $90 for each worker examined.

General Motors' steering gear division at Saginaw, Mich., has also developed a mobile health screening unit. The findings of each medical checkup are inter-

ed by a central computer and
back instantly to the unit. GM
ns this diagnostic service has
ced lost work time wherever it
been used.

idly increasing medical costs
made such health programs
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loyees. *Ammunition*, a
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kers, claims medical care
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by 700 per cent in the past
decades — from $78 a year
person to $547.

enrichment subsidized

rench government plan to
erwrite 30 per cent of the cost
b-enrichment programs in
ate firms has provided more
$9 million in grants to more
60 firms since its establish-
t in September 1976. To
lify, a work-enrichment plan
st be of "an extraordinary
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vative features, lead to a
eral change in the nature of the
k and the work environment,
be applicable to other
kplaces.

RKING TIME

ects of four-day week leisure

ecent study finds that workers
a four-day work week spend no
re time at leisure than those on
ve-day week. Sociologists
en Conner of Drake University
Gordon Bultena of Iowa State
versity found that workers with
ee-day weekends spend more
e at "obligated" activities such
shopping, volunteer work and
king after children.

RETIREMENT

France sets precedent

France has taken a significant step toward lowering the retirement age at which workers can start drawing pensions. Under a recently enacted change, French manual workers will be able to retire at age 60 and receive full retirement benefits. All other workers will be covered by 1980 by the new French retirement-age law.

EMPLOYMENT

Need for new policies

The dilemma facing economic policy makers is clearly demonstrated in *Employment and Unemployment, Priorities for the Next Five Years*, a 68-page report from the Conference Board's division of Economic Research in New York City.

The report stems from a forum of high-level manpower specialists organized by the Conference Board to better define "the range of policies for dealing with unemployment that are likely to figure in national decisions" in the near future.

The specialists were contending with the need for new theories and policies since the old ones "no longer provide adequate answers to the twin evils of unemployment and inflation that have beset American society in the recent past," to quote K.A. Randall, the Conference Board president.

Their dialogue showed more agreement on diagnosis of the problems than on remedies for them. The parties agreed that unemployment is too high and that "the" unemployment rate — lumping together a variety of individuals who differ markedly in their economic circumstances and the causes of their joblessness — has become inappropriate as a basis for policy. There was also a consensus that the standard fiscal and monetary policies adopted in the past would be unlikely, by themselves, to bring about large-scale reductions in unemployment — least of all among unskilled workers.

While a similar consensus did not develop over remedies, there was more support for limited public service programs for the long-term unemployed than for "government-as-employer-of-last-resort measures." The Board's director of special projects research, Leonard A. Lecht, who edited the report, noted that skepticism of government job guarantees "stemmed from the suspicion that the supply of job seekers would increase rapidly — if a person seeking a job were to be guaranteed employment at prevailing rates."

Soft demand for professionals

The Technical Service Council predicts little change during 1978 from the current soft demand for professional employees. It notes that many industrial plants are operating below capacity and that consumer spending on durable goods is likely to be weak.

N.A. Macdougall, general manager and director of the industry-sponsored personnel consulting and placement service, says spending on services may pick up but the service industries "are not large employers of professionals."

The Council's quarterly survey of 1,500 private-sector employees found 7 per cent fewer professional jobs open on Dec. 31, 1977 than at the end of 1976. Vacancies

in Quebec were down 15.1 per cent. One surprise was that job openings in Ontario exceeded those in the Prairie provinces for the first time since 1975.

Of the 100 occupational groups surveyed, demand was greatest for experienced mechanical sales engineers. Chemical, electronic and civil sales engineers were also in demand. Next in order were accountants, experienced plant engineers, process engineers, petroleum geologists and petroleum engineers. There was also a demand for experienced systems analysts and computer programmers.

The Council reported that recent layoffs by mining, food, paper and manufacturing companies have affected not only hourly-rated staff but also technologists, engineers, accountants, personnel managers and highly paid executives. "Employers are engaging consultants like the TSC to teach redundant professionals job-hunting techniques and to bolster their confidence," the Council said.

A successful part-time operation

Control Data Corporation's Selby bindery plant in St. Paul, Minnesota, operates almost entirely with part-time employees, and the company has considerable evidence that the bindery is efficient.

Only nine members of its work force of 148 are full-time people. The part-time staff normally works two shifts — from 8:30 to 2 p.m. and from 2:30 to 5 p.m. Most of the people on the early shift are mothers with school-age children and the late shift is manned by high school, college or vocational school students.

The plant which assembles and distributes computer manuals to Control Data customers throughout the world, attributes its competitiveness to relatively low overhead, absenteeism and turnover, and high productivity per worker. Employees receive quick feedback about their performance and are made to feel "part of the institution." Moreover, in its seven years of operation, Selby has reportedly been a springboard for placing about 150 employees in higher paying jobs that require greater skill.

The U.S. labor department estimates that today 20 per cent of all unemployed people are looking only for part-time jobs, as against 10 per cent 20 years ago. Moreover, for every 5.5 full-time workers in the U.S. today, there is one voluntary part-time employee. This compares with one part-timer for every eight full-timers 10 years ago.

A substantial benefit of part-time work is that it reduces the need for working mothers to use a day-care centre for their children, and it enables students to put themselves through school or to supplement the family income. Moreover, it can provide experience that may prove valuable later in seeking full-time work.

Youth unemployment: some dimensions of the problem

The Canadian government will have to rely more heavily on the private sector to help solve one of the most serious problems resulting from inflation and a sagging world economy — youth unemployment.

Bud Cullen, Minister of Employment and Immigration told a high-level conference of the Organization for Economic Co-operation and Development (OECD) that an increasing reliance on the co-operation and participation of the private sector in both its training and job-creation programs for youth, "marks a significant development in Canada's labour market policy."

Cullen told members attending the December conference that Canada's youth work force has doubled since the postwar baby-boom, and that in 1977 more than 15 per cent of them were unemployed.

"High unemployment among young people imposes both economic and social costs," he said. "Not only do the productive capacities of youth, especially the highly educated, go unused, but young people's basic attitudes to work and society may also be influenced by the discouragement that accompanies high unemployment."

According to the minister, a lack of experience or appropriate training often relegates workers between the ages of 15 and 24 to jobs that offer low pay, poor working conditions, little opportunity for training, and a propensity for layoff. Young people are the end of the employment queue — last hired and first fired.

Furthermore, he pointed out that such factors, "have contributed to a very unstable work pattern among Canadian youth, many of whom withdraw completely from the labour force for temporary periods."

In most OECD countries, youth unemployment rates are double or

le those for adults. The coun-
s hardest hit are Canada,
tralia and Italy. OECD members
ort that present economic
umstances have tended to
k against youth.

current economic climate has
o contributed to reduced labour
nover because those with jobs
nt to hold on to them and are
s willing to risk changing than
previous years. Often adult
men are competing with youth
the same jobs. Moreover,
nographic pressure, which has
ulted from an increase in both
relative and absolute supply of
ng workers, has come at the
ne time as a serious slackening
economic activity and labour
rkets.

t another dimension of Canada's
uth unemployment problem is
annual influx of students
eking summer jobs. Cullen says
t in July 1977 (the peak month
student job searching) the
dent labour force numbered more than one million. Superimposed on the above dimensions have been the shorter-term effects of the cyclical downturn in aggregate demand.

Between 1965 and 1976, youth employment grew by only 28,000 — enough to absorb only one-fifth of this age group's labour force increase over the same period. By contrast, the extent of adult employment shortfall over that period was much less serious. Employment growth absorbed fully 75 per cent of the adult labour force increase.

Cullen told the conference, the federal government "has responded to this challenge as part of its overall response to the economic and labour market conditions it has faced," adding that the government's major tool has been its extensive support for training programs.

Many of the Canadian programs, like those in other OECD countries, depend on the co-operation and participation of the private sector. Most OECD members, for example, subsidize employment, create temporary employment opportunities and are introducing community development services for youth with the help of private industry.

Cullen also told the conference, that although institutional training remains the central feature of the Canada Manpower training program, greater emphasis is being placed on employer-centered training in recognition of the need for actual work experience for the young. In addition, provincial apprenticeship programs are partly underwritten by the federal government. More recently, he said, the federal government has developed an experimental project to use wage subsidies to encourage employers to increase the participation of teenage apprentices.

A total of $450 million was allocated for Canada Works, Young Canada Works and other job-creation programs in 1977. Funding is expected to be maintained at the same levels this fiscal year.

Cullen said a prime concern is providing young school leavers with a period of on-the-job-experience so they can enter the labour market successfully. The Job Experience and Training Program (JET) subsidizes the wages of a young school leaver for 26 weeks in the private sector.

OECD members feel the root of the youth unemployment problem goes deeper than economic and demographic difficulties. They suggest there is an urgent need to prepare students for the work world, and to bring a new balance between general and vocational education as well as to provide better educational and employment counselling. lg

"When you said you were going into the P.R. business, son, we naturally assumed that you meant Public Relations, not Punk Rock!"

Mens sana in corpore sano

Employee fitness programs: philanthropic venture or shrewd investment?

by Bill Megalli

Nations have passed away and left no traces
And history gives the naked cause of it —
One single, simple reason in all cases,
They fell because their people were not fit.

Rudyard Kipling

Canadians are leading the world in a field that holds hope for healthier, saner and more productive societies. It may also hold solutions to a variety of economic problems, from rampant health-care costs and soaring losses caused by absenteeism to brand new health-related dilemmas facing Canadian employers.

The answer, preventive physical fitness, is so simple that it tends to be belittled by many economists. They, apparently, prefer to pore over complicated graphs and computer data, occasionally coming up with stopgap measures or temporary sedatives. Economic factors are juggled on both sides of the equation, but the basic imbalance remains.

Taking Canada as a case in point, the picture is indeed telling. Authoritative but unofficial estimates indicate that no less than $3 billion is lost annually to the Canadian economy as a result of sickness, absenteeism, tardiness and fatigue — not counting the many other incalculable intangibles that result from society's failure to adequately maintain its basic human unit. Already health care costs are stretching provincial funds beyond the limits of endurance, and the result will inevitably be higher health premiums for individuals and companies. The Ontario Health Insurance Plan (OHIP) has already had to raise its spending in 1977-78 to the astronomical figure of $3.8 billion, a three-fold increase over the $1.23 billion figure for 1970-71. In 1974 alone, $1.98 billion was spent on cardiovascular and pulmonary diseases, both closely associated with a sedentary life style and generally low health levels.

Statistics in the United States provide further proof. Figures recently quoted in *Ammunition*, a publication of the United Automobile Workers, indicate that medical care costs in the U.S. have risen from $78 to $547 per person over the past 20 years — a seven-fold increase. Meanwhile, hospital care costs have tripled over the past ten years to an average $113 per day, with the cost of an average hospital stay now at $885. With no OHIP counterpart in the U.S., medical insurance coverage has fallen behind. A recent survey showed that private insurance covers only 78 per cent of all hospital expenses, less than 50 per cent of doctors' bills, and less than 7 per cent of other medical charges.

Employees, as well as employers, are taking the initiative

The only ray of hope in an otherwise depressing picture comes from statistics showing that, for the first time in years, the U.S. is registering a drop in the incidence of cardiovascular disease. The hitherto rising trend has suddenly turned downwards for mysterious reasons. Studies have pinpointed three possible causes: an increase in regular physical activity, dietary awareness, and heightened awareness of work stress. The fact is that the last two factors are by-products of the first: dietary awareness comes as a result of concern for physical fitness, while stress can be overcome by substituting unwinding physical activity for a previously sedentary way of life.

Declining health and rising medical care costs, which inevitably carry with them less work and efficiency, have so far prompted some 300 U.S. corporate giants to provide physical fitness and health screening facilities for their employees, according to the President's Council on Physical Fitness and Sports. It is highly significant that the largest companies, which usually have better tools of long-range planning and assessment, are the first to realize that employee fitness is far from being a frill or even a secondary-priority

issue. Benefits of fitness-related efforts in companies, according to the Council, include "greater work output and less tension, reduced end-of-the-day exhaustion, and more enthusiasm for work."

While Canada has certainly not been the first country to introduce employee fitness programs, the Canadian experiment is based on solid grounds and its balanced growth is already providing an example for the rest of the world to emulate.

A shining feature here in Canada is the fact that in many cases it is the employees themselves who take the initiative in starting their own program, with management eventually catching up. Employees of Bell Northern Research, near Ottawa, for example, have converted an old trailer into changing rooms and showers and have built an outdoor fitness trail on company land. Those at Metropolitan Life Insurance Co., Ottawa, clamored for inclusion of a fitness facility in blueprints for the company's new building. Management asked employees to demonstrate the need for such a facility and allowed them to convert a basement storage area in the existing building into an exercise room, and to carpet some little-used corridors for an indoor jogging track. Some 225 employees, more than 25 per cent of the total work force, soon became active participants. The result is that the new Met Life building features a well-equipped fitness facility.

Benefits of fitness-related efforts include "greater work output and less tension...and more enthusiasm for work"

Employee initiative is perhaps at its best in Statistics Canada, where a number of staunch advocates of physical fitness have been fighting something of an uphill battle. In January 1976, they managed to obtain the use of the old auditorium of the Dominion Bureau of Statistics for an exercise area. When that area was requisitioned to serve as a corridor to join the newest Statistics Canada building now under construction at Tunney's Pasture, they again lobbied to get the use of a first-floor medium-sized hall, which previously housed computers. These semihuman machines, which do not have nearly so pronounced a need for physical activity, had been moved to an air-conditioned room on the fourth floor. Pat Collette, who conducted some highly successful programs for government departments, was retained on an hourly basis, paid by the employees themselves, to conduct beginner, intermediate and advanced lunchtime classes.

"We have waiting lists already," said Edythe Frost of the financial department, who, along with friends, had already launched a two-year-old battle of the bulge, adding that "Women need fitness activities at work more than men."

"We have to go home early for daily household chores. After enlisting for two years with Vic Tanny's I had to quit because I

thought it was not fair to my family," she said.

At Statistics Canada, volunteers help with the classes, too, especially in Yoga and self-defence. At present, Frost and her group are lobbying for full facilities at the new Statistics Canada building. "We get a lot of help and sympathy. Many people from management are participants in our classes," she noted with hopeful confidence. "I am sure employee fitness on the national level is coming, for why should we lose all this health-care money when all we need is a good walk," she said.

Often the decision comes from the top, too, clearly reflecting a mutual meeting of interests. Johnson's Wax in Brantford has built spacious on-site fitness facilities for its 300 employees, including a gymnasium, a full-sized basketball court, squash courts, saunas, games room and refreshment area. The John Labatt Brewery evidently found its London, Ont., program so rewarding that it has established physical training facilities in its Toronto and Halifax units as well.

At present around 100 companies and government bodies are involved in some form of fitness program or other, a ratio which, according to Sandy Keir, manager of fitness programs for Recreation Canada, is at least equal to the much-publicized employee fitness drive in the United States. The impressive list runs from Cominco in Vancouver to Imperial Oil and Manufacturers Life in Toronto. It includes such names as the Bank of Canada and the Toronto Dominion Bank, the Post Office, the Public Service Commission, Health and Welfare and the Department of Public Works, Ottawa; CBC and Benson and Hedges, Montreal; Finning Tractor, Vancouver; Boeing and James Richardson and Sons, Winnipeg; Telecom, Calgary;

...a fitness drive can be launched merely by creating awareness of the need for one

and Industries du Hockey Canadien, Drummondville — to mention but a few.

It is significant that the list is growing steadily. The Department of Labour recently distributed an elaborate questionnaire sounding out employees on a possible fitness program after a number of employees at its Place du Portage headquarters in Hull requested that some type of physical fitness activity be organized. "In the first few days nearly 200 people responded affirmatively," said Loris Loewen of the union-management recreation committee. The next step is to decide, on the basis of the questionnaire, what type of facilities are required then ask for Treasury Board approval of expenditures.

The facilities will be put up by the Department of Public Works, it is hoped sometime this year. Despite federal austerity measures, the Treasury Board did approve expenditures for 22 pilot projects on fitness in various branches of government where employees demonstrated the need for them. The Department of Public Works itself allows some 600 fitness advocates to use its Confederation Heights facilities, which boast 16 showers and an exercise area that can easily accommodate 40 participants at any one time. The Confederation Heights facilities are operated by Maureen Starck and 30 volunteers because austerity measures permit no funding. Participants pay $15 a year in fees, and the 24 weekly classes show that government employees — who may understandably be at odds on certain issues — see eye to eye on fitness. "We have people from justice, taxation, agriculture, transportation and almost every department," said Starck.

"Mr. Cribble here wishes to apply for the position of fitness instructor we advertised."

Canada's claim to leadership in the field is based on the fact that its employee fitness programs envisage a comprehensive, targeted and organized approach, in contrast with simple "industrial recreation" which prevails in the U.S., Europe and Japan. U.S. companies, for example, display expensive and showy training facilities, but visitors to the lavish Exxon Corp. training facility in Manhattan find the place, which appears to have been built primarily with executives in mind, deserted except for a solo ergometrist. The U.S. effort is commendable in many aspects, but is lacking in others. "During a recent information-exchange trip to the U.S., the Americans explained all they had in ten minutes, but they listened for a full hour to what our man had to say," said Keir.

The Canadian approach to employee fitness is documented in a valuable book published by Health and Welfare. The book, by Martin L. Collis from the Physical Education Division, University of Victoria, contains twelve inspiring chapters covering the various ins and outs of the subject. It even includes a chapter on legal aspects of company fitness programs.

The main motto of a wide variety of ongoing fitness programs appears to be, "make the most of what you have got." Keir and his team provide a graphic illustration of this dictum by often using their lunch hour for a "counter-gravity" jog up and down the 21-storey staircase of Journal Towers, where the State Ministry for Fitness and Amateur Sport has its headquarters. Keir was interviewed immediately after such a session, and the radiant health and presence of mind he displayed were those of a 20-year-old just starting his day.

Counselling and help to companies contemplating a fitness program is provided by the Ministry of State for Fitness and Amateur Sport and by the YM/YWCA. The latter have assisted in the development of a number of employee fitness programs. YMCA facilities are currently being used by employees of La Régie de l'assurance Maladie du Québec for their fitness programs, and in Montreal

Gathering proof for what is basic and pure common sense is often a monumental task...

YMCA consultants are running programs for Kruger Pulp and Paper and Catelli Foods. Indeed, YMCA involvement with employee fitness has been in evidence from Vancouver to Halifax.

Some companies, meanwhile, resort to the help of professional firms operating in the field of health and fitness. Often a number of companies may share costs of a contract with such firms because of the overriding importance of having expert leadership in fitness programs.

There are various formulae for such programs and facilities. One example of a model containing all the ingredients is that provided by the B.C. government, where two centrally-located complexes are available to all employees for a wide variety of individual and group programs. These are the Physical Activity Center, close to the Parliament Buildings, and the newer 1976 model, the Health Building on Blanshard Street. Covered bicycle parking in the garage for commuting employees is complemented by showers, while lockers and changing rooms are located on the first floor. Mileage maps are provided to runners who wish to pursue their own programs while taking advantage of the shower and changing area. Carpeted exercise rooms are set up in the basement, with exercise wall charts and hints allowing individuals to pursue their own routine at their own convenience. Meanwhile fitness staff members make assessments and design programs for those who wish assistance. The program is supervised by Gordon Stewart of the Occupational Health Branch, who also publishes a witty fitness newsletter called *The Square Wheel*. The B.C. government program has a before-work group entitled "Morning Madness" and an after-work program called "Rush-Hour Blues", in addition to the midday "Out-to-lunch Bunch" programs.

The ideal program would have training facilities at or close to the workplace, complete with shower and changing rooms, which would enable employees to look decent after workouts. When prospective participants are faced with a 10-minute winter walk to a nearby hall, the warmth of the cafeteria can be very alluring, and people do not like to get dressed up in order to get undressed at the exercise facility. Moreover, without showers the prospect of vigorous exercise is not appealing. One of the aims of an exercise program is to send people away feeling good, and this is unlikely if they are hot and sweaty and possibly a little self-conscious that they are taking the smell of the locker room back to the office. The availability of lockers and showers also encourages such activities as cycling, walking, jogging or even skating to work. Cycling can be further encouraged by providing protected storage areas for bicycles.

The size of a fitness facility will obviously be related to the number of potential users, with a rough guide being 2½ square feet per

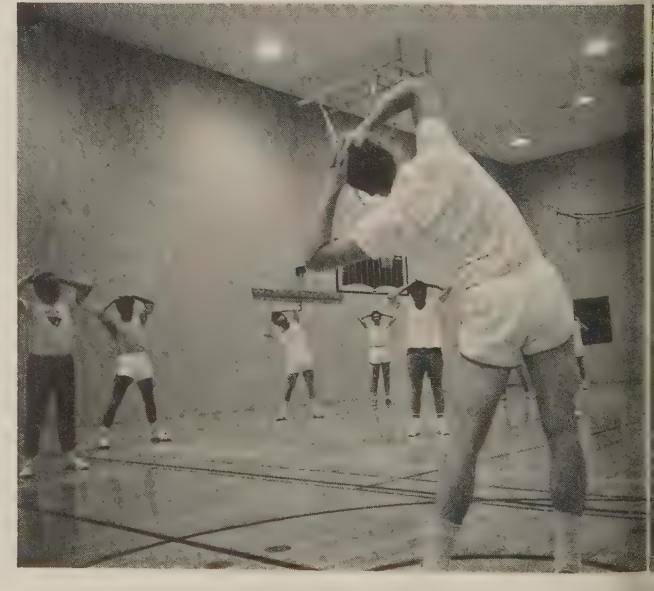
individual in an exercise room if a dynamic group program is to be pursued. An activity room that provides an exercise circuit, where individuals can follow a planned sequence of activities to develop the three main facets of fitness — cardiovascular efficiency, muscle tone and flexibility of joints — can vary from 300 sq. ft. to 1,000 sq. ft. or more. The IMPCO Health Screening Ltd. program in a typical Toronto office block has an activity area of approximately 800 sq. ft., where participants are scheduled throughout the day on a carefully prescribed activity circuit, which includes treadmill running, cycling on the ergometer, strength training on the weight machine and a variety of other strength and flexibility exercises. For group activity, it is difficult to run a dynamic program in an area of less than 1,600 sq. ft. People need room to run, dance and move freely. There is no question that such additional items as swimming pools, squash courts and saunas will add appeal to the fitness center and prestige to the employer, but they are harder to justify on a cost-benefit basis.

...the so-called sports boom in Canada involves only a small percentage of the population

To begin with, a fitness program will often have to prove itself viable before an employer will invest in a major new facility. Perseverance and ingenuity, coupled with a belief in the value of physical fitness, will usually uncover an area where an activity program can begin. No place is sacred when people feel the need to be active. Fitness programs are being born on rooftops and in board rooms, T.V. studios, corridors, cafeterias, parking lots, staff lounges and basements. The basement is perhaps the place to begin, with boxes moved, walls painted, carpets laid and showers installed. There are at least five basement programs now in progress in Ottawa. But as new buildings are designed to include fitness facilities, it is becoming apparent that physical exercise is no longer a purely underground movement. Developers and companies are proud of their new fitness facilities and are designing them to be bright and visible. However, it is a good idea to keep the actual activity area out of the public gaze, Dr. Collis' book suggests. People who are making their activity comeback after a 20 year layoff do not want to provide entertainment for the lunch-time loungers.

Sandy Keir simplifies the starting point further by saying that a fitness drive can be launched merely by creating awareness of the need for one. "Start with education, then motivation, then solutions, programs and leaders and finally a full facility with all the ingredients," as he puts it. His department sends out free copies of Swede Dr. P.O. Astrand's renowned booklet *Health and Fitness* to organizations that request them. To date Health and Welfare has printed almost a million copies.

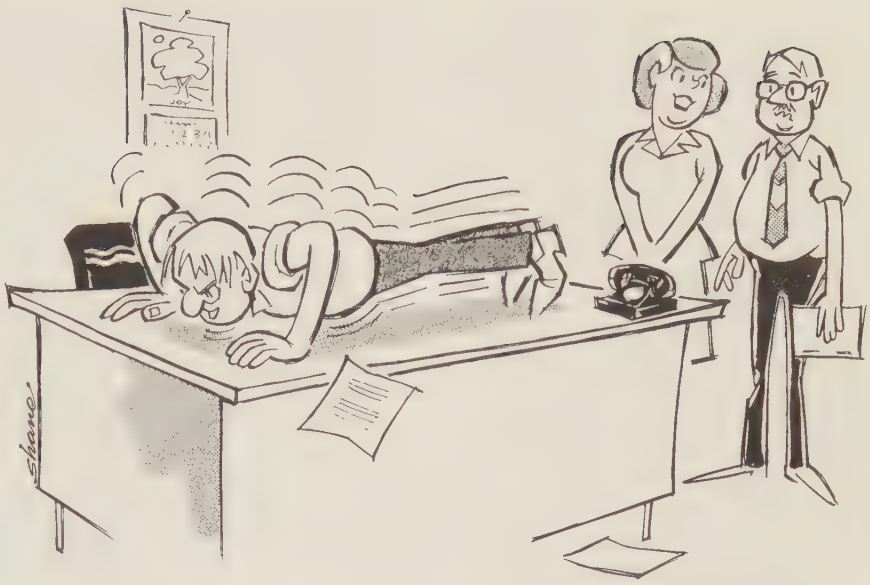
The same philosophy was, in fact, adopted by the Ministry of State for Fitness and Amateur Sports in arranging the Dec. 1974 National Conference on Employee Physical



itness, hosting representatives of mployers, employees and health rofessionals associated with 50 anadian organizations. "Today here is a lot of enthusiasm for mployee fitness. Everybody is alking about it and we receive any inquiries from companies ho contemplate launching their wn program," Keir said.

A vital prerequisite to a wide-pread fitness movement is, of ourse, showing in hard facts and igures how badly it is needed. Gathering proof for what is basic nd pure common sense is often a nonumental task, especially with cientists just beginning to nravel the intricate mysteries of he human body at the subcellular evel. But as Canadian programs levelop and data start to accumu-ate concerning the response of mployees to fitness programs, he results are reassuringly fami-iar. In all companies with fitness rograms, participants have shown uick improvements, including lecreased resting heart rates and lecreased body fat. Even a tempo-ary pilot program can get mployees "addicted" to physical ctivity. An example is the Career ssignment Program of the federal ublic Service, where participants ontinued their involvement in xercise after the program ended.

There can be no question that vell-conducted fitness programs vork in terms of improving the itness of the employees. How-ver, of even greater interest to the mployer is whether the success f an employee fitness program hows up in the long-run as a redit item on the firm's balance heet. The question that has to be ddressed is whether employee itness is a philanthropic venture n the part of the employer, or a hrewd investment in protecting he human resources of the ompany or organization.



"Maybe we ought to set aside some space in the basement for fitness sessions."

There is a growing body of evidence pointing to the fact that an employee fitness program is good not only for the physical health of a company, but also its

Soaring medical-care bills and lost productivity prompt 100 companies and government bodies to introduce employee fitness programs

economic health. The costs of stress, accidents, and sickness related to a sedentary lifestyle are incalculable. Heart disease alone represents tens of thousands of lost working years to Canadian employers. The cost to employers nationally increased about 72 per cent in the ten-year period between 1965 and 1974. During the same period, wages increased 59 per cent.

A recently completed report for the Province of Ontario, entitled "The Relationship Between Physical Fitness and the Cost of Health Care," relates the physical fitness of participants to their health-care costs, as measured by the frequency of doctor and hospital visits, number of days off work due to ill health and the amount of physicians' claims made under OHIP. The study reaches several significant conclusions, including an estimate that OHIP medical claims could be reduced by $31 million if all adults aged 20-69 years were of at least average physical fitness.

In studying the companies currently offering employee fitness programs in Canada, one is struck by the number of insurance firms represented. The actuarial data available to these groups has convinced them of the value of maintaining a low-risk lifestyle, not only for their customers but also for their employees. In the United States, certain companies, such as M.O.N.Y., are already offering premium reductions to non-smokers, while other companies reward persons of appropriate body weight. Of greater interest still is the fact that a major company is currently working out

the details of offering *financial* incentives based on fitness testing and a coronary risk profile. Fitness can indeed be measured in dollars and cents.

At present, we have to look beyond Canada to find information relating employee fitness to such things as absenteeism and productivity, but as programs develop within this country, and researchers focus upon the economic benefits of fitness programming, we can anticipate that the facts will support the logical premise that employees who are physically fit will be more productive, less likely to be absent, less accident-prone than their unfit colleagues and less likely to quit their jobs. At a scientific congress held in Quebec City prior to the 1976 Olympic Games, Dr. V. Pravosudov of Leningrad had some interesting information in his paper entitled, "The Effect of Physical Exercise on Health and Economic Efficiency." It included estimates that a fit workforce in the U.S.S.R.

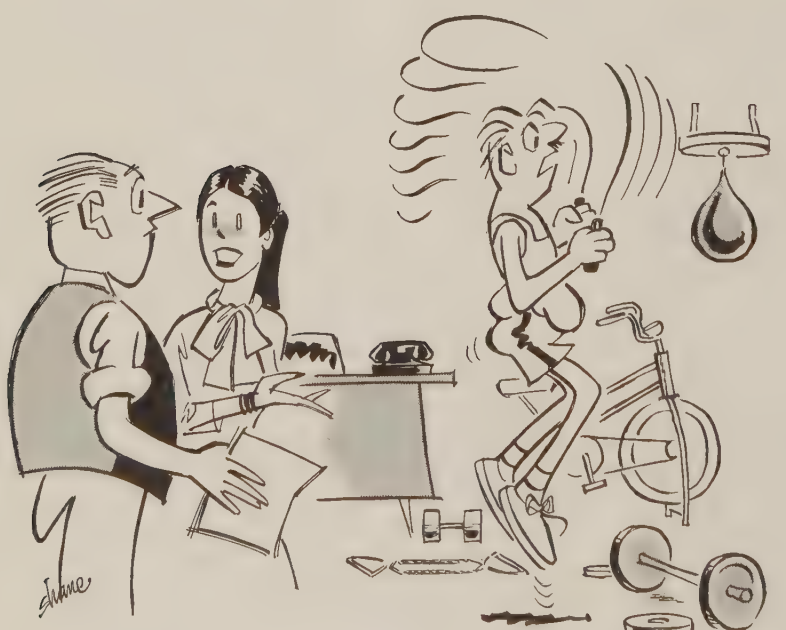
Aid is available. Ontario provides grants of up to $10,000 per company

would mean an additional 140 million days worked, with millions of roubles in additional output; that regular physical activity had a favorable influence on mental labour productivity; that athletic workers have between 5 per cent and 15 per cent more output than nonathletes, and that unfit workers are two to three times more vulnerable to industrial accidents than their active colleagues.

Throughout Europe, where employee fitness programs have existed for many years, one can find evidence of the benefits of various types of such programs. In a testimony to the U.S. Council on Wage and Price Stability hearings on health care costs, Dr. R. Keelor noted that, "When a Goodyear plant in Norkjoping, Sweden, introduced an employee fitness program, absenteeism among participants fell by nearly half. This result may be exceptional, but even a modest reduction would yield very substantial savings."

In the Council of Europe's *Sport for All* publication, reference is made to a number of studies in a chapter entitled "Physical Activity and Capacity for Work." For instance, errors made by women textile workers decreased 31 per cent in a group receiving regular exercise breaks. The benefits of a good fitness program can be measured not only in the tangible ways already mentioned, but also in more subtle ways. In the highly publicized study on the effects of a fitness program on N.A.S.A. employees in Washington, D.C., participants reported more positive work attitudes, less strain and tension, improved work performance and changes in leisure-time activity. Similar findings were reported by those involved in the National Health and Welfare fitness program in Ottawa. It is not difficult to see how the physical and mental benefits to the employee can quickly be translated into improved work performance and subsequent economic benefits to the employer.

A pioneering study is currently being undertaken by Recreation Canada on two large companies in Toronto and may yield more graphic proof. The six-month study, begun in January, includes gathering detailed data about employees via such measurements as fitness, weight, height, OHIP cost, productivity and attitude toward work. One of the companies is subjected meantime to a fitness and "life-styling" program, with the measurements continued regarding both companies to assess the difference. "The experiment is well documented and its findings, expected around



"Mr. Higgles has become so interested in his fitness program he no longer has time for work."

September, will likely be most interesting," according to Keir.

Names of the two companies have not been made public because, in order to guarantee spontaneous reactions and objectivity, the employees were not told about what was happening. Keir asserts that fitness programs carry their impact far beyond the boundaries of company exercise halls. True, an introduction to exercise is more needed at work, where individuals spend most of their time, rather than in leisure time which is frequently spent in sedentary TV-side calory consumption orgies. One gram of prevention is better than a ton of treatment, goes the old saying, and fitness campaigns started at work can have a tremendous influence on reshaping social patterns and family life.

Canada's comprehensive outlook on fitness is also reflected in a strategy paper by Neil Collishaw, policy planning consultant at

No place is sacred when people feel the need to be active. Fitness programs are being born on rooftops and in board rooms...parking lots, staff lounges and basements

Health and Welfare. The paper, which will be reviewed by competent bodies in the coming months, spells out an encompassing approach to fitness at all levels of society from school years to post-retirement.

Dr. Collis, in his book *Employee Fitness*, estimates that in a typical group of Canadians, less than 5 per cent will be regularly involved in vigorous physical activity — not withstanding the fact that Canadians have turned more and more to sports in the past few years.

Leading sports equipment manufacturers report a colossal boom in their sales. In 1976 Canadians bought an estimated 800,000 tennis racquets and close to five million tennis balls, double the purchases of three years ago. Adidas has tripled its sales of track shoes and racquet sport accessories in the past five years. Diversified Products of Canada Ltd., which supplies various types of fitness equipment, reports a 100 per cent increase in sales every year. Yet despite all this, the so-called sports boom in Canada still involves only a small percentage of the population.

Collishaw points out that he is among many people campaigning for removal of a two-year-old Treasury Board directive, which came as part of federal austerity measures, to prohibit allocation of any funds to convert parts of existing government facilities, such as basements, into exercise areas. Employees are also forbidden to tamper with government walls and floors even if they can raise necessary funds among themselves. On the other hand, the Province of Ontario is providing financial grants to companies that launch fitness programs or facilities, equal to the amount already spent by the company in question on such programs, up to a maximum of $10,000. However, suggested measures for precipitating fitness development, such as

mandatory exercise facilities in new buildings or tax incentives for buildings that include such facilities, are a long way off. Collishaw suggests the only way to make such measures feasible is for the average Canadian to make the need for them felt. There is no point in expenditures or buildings that are not really needed. But the perspective can change dramatically if the employee fitness drive turns into a movement of national proportions.

Meantime, a searching look ahead reveals new facets of the subject just beginning to be appreciated that make fitness programs a pressing economic necessity. Foremost among these are changing demographic patterns, especially in industrialized countries, which indicate a sharp increase in the years ahead in the proportion of senior citizens in the total population. It is not only on humanistic grounds that a healthy way of life must be introduced early and maintained in later years — advances in medical treatment may make people live longer no matter how miserably — but also

...fitness campaigns started at work can have a tremendous influence on reshaping social patterns and family life

because of purely economic considerations.

Harold L. Sheppard, of the American Institute for Social Research, warned about the implications of this at a recent Montreal symposium on industrial relations. He stressed that economic realities and demographic changes make it essential to move retirement age upwards and to keep individuals on the active work force for as long as possible. The United States economy as an example is not prepared to cope by the year 2000 with 1.2 million more persons 65 and older than were estimated before the latest mortality statistics report was published in 1977. At the same time, the U.S. Congress is considering raising the taxes levied on employers and on the wages of today's workers to pay for the social security benefits received by retired workers, and also is debating reducing future retirement benefits below what had been previously planned. As a result of this, Sheppard said, "I believe quite strongly that in Western industrialized countries, we will have to find ways to keep persons 55-64 years old, perhaps older, in the labour force, in order to increase the working population base necessary for providing decent retirement incomes to the truly aged population of such countries. Increasingly, thanks to improvements in health facilities and services, not to mention in the working environment, the age of 65 can no longer be considered — from the work-capacity point of view — as old."

To conclude, there are no better words than those of Iona Campagnolo, Minister of State for Fitness and Amateur Sport: "The time requirements (for employee fitness programs) are quite minimal and the eventual payoff both in financial and humanistic terms are indisputable." lg

"Don't know why Quigley makes such a big deal about running to work — he only lives three doors down."

Profit sharing and employee investment funds

y George Sanderson and Paul Malles

Giving employees cash or shares ased on the profits of the enterrise is usually referred to as nancial participation. Profitharing schemes have been in xistence in many West European ountries and in North America for bout 100 years, initiated mainly y management, with little union nterest. Indeed, organized labour as tended to view such schemes s a device to limit trade union nembership.

n the United States and to a esser extent in Canada, there has een interest in schemes to make mployees shareholders in the ompanies for which they work, he intention being to foster a ense of involvement and to lower he traditional barriers between wners and workers. The schemes ange from those giving employees he right to buy shares on favourble terms to those giving them he shares directly or holding them n trust on their behalf for varying engths of time.

Advocates of wider share ownerhip also argue that this would rovide employees with an incenive to stay with the company, ince share schemes generally equire a certain length of service – often several years — before mployees become eligible, and it s frequently several more years efore the shares are vested in the mployees, i.e., become their ersonal property. Another positive spect of share schemes from an mployer's viewpoint is that they rovide an extra benefit to employees while at the same time ploughing money back into the company for new investment.

Moreover, a recent U.S. tax law provides an incentive to companies to finance expansion by issuing to employees shares which then serve as security on which new capital can be borrowed. This plan has been described by some observers as a sort of people's capitalism, spreading the benefits of private enterprise. It has been suggested that a similar scheme in Canada would, among other purposes, serve to encourage Canadian ownership and reduce foreign domination of industry.*

Unions, however, have tended to be wary of share ownership schemes on the grounds that they could undermine their position in collective bargaining. Another objection raised by organized labour is that share schemes give employees the illusion of ownership without the reality of power. A further drawback from an employee point of view is that workers who participate in savings-related schemes stand to lose both their savings and their jobs should the company fail.

While there is no legislation in Canada regarding financial participation, some companies already encourage their employees to purchase stock, but few, if any, expect them to acquire enough to exert significant influence on the corporate decision-making process.

Although claims have been made that workers already own a large portion of the private sector through their pension funds, the latter are widely invested by professional managers and do not give the worker a greater sense of participation and responsibility.

In any case, not all employers offer adequate pension schemes. Indeed, it was partly to encourage saving and to provide for a more secure retirement that deferred share ownership became widespread in the U.S. Under this scheme, a share of the profit is distributed in company stock, usually held in trust until the employee quits or retires. Today, an estimated 80 per cent of financial participation schemes in the U.S. give shares only, 17.5 per cent shares and cash, and only 2.5 per cent straight cash.

The American approach to profit sharing thus gives employees a stake in the company's success while allowing the company to retain most of the cash — tax free — for new investment. Of course, deferred share ownership does carry financial risks, but presumably these can be reduced by diversifying funds into other companies' shares. Moreover, the 1974 Employment Retirement

*The suggestion has also been made that pension plan funds be used to promote the repatriation of firms operating in Canada.

Income Security Act makes it mandatory for investment managers to act "with prudence, diligence, care and skill." Those who don't, leave themselves open to lawsuits.

Nevertheless, the guaranteed income that pension plans offer — buttressed by a government pension insurance program — has made them more and more competitive with traditional American profit-sharing schemes.

On the European scene, the debate has centred on notions of economic stability and capital formation, social justice and employee influence at the workplace. France, Germany and the Netherlands provide examples of government interest in financial participation.

In Sweden and Denmark, unions and left-of-centre politicians have formulated concrete proposals for the creation of central funds to enable workers to participate more directly in industry's profits and investment policies. Similar proposals have been made in West Germany and the Netherlands, but as in the Scandinavian countries, they have not gained widespread approval. In France, West Germany and the Netherlands, less radical, though statutory, forms of financial participation are already in existence. These European schemes may require a company to set aside a percentage of its annual profits above a certain level and allocate them to workers in the form of shares or as payment into special accounts, as in France. Or they may take the form of non-profit-related savings and share option schemes enabling workers to buy shares in the firms for which they work at preferential rates out of money set aside for them from general company resources — as in Germany — or as deductions from gross pay — as in the Netherlands.

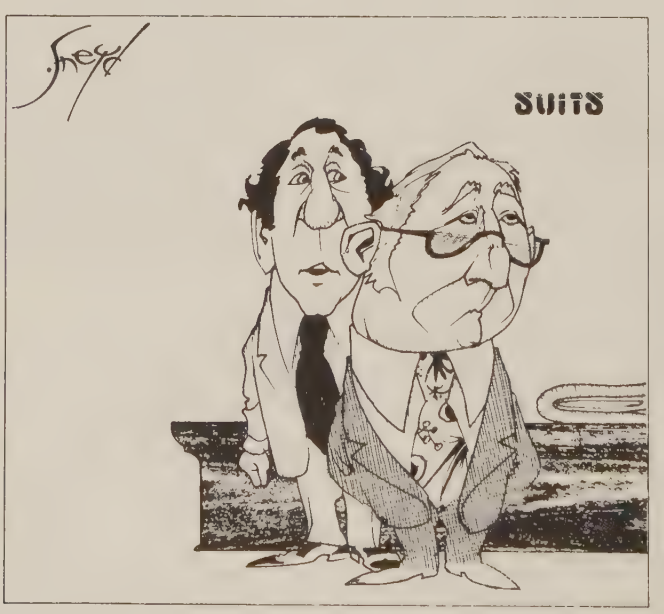
While there is no legislation in Canada regarding financial participation some companies already encourage their employees to purchase stock...

In **France**, where very little interest has been shown by management, workers and unions, a 1967 law requires companies employing more than 100 persons to set aside part of their pre-tax profit — or an amount from a special investment fund based on capital — to be invested in optional ways for five years on behalf of employees. After this, the latter may withdraw their share in cash, if they so wish. The government grants tax incentives for employee share-purchasing plans, with workers the main beneficiaries. The companies' tax privileges were curtailed by a 1973 amendment.

The 1967 Ordinance is rather selective in its coverage, however, because less than 1 per cent of French enterprises employ more than 100 persons. Moreover, even where companies have the required number, they may not achieve the necessary 5 per cent return on total capital required before they have to create a "special participation reserve."

While schemes in large nationalized concerns such as Renault and Air France have largely failed to motivate employees or arouse their interest in the company, some smaller private firms — such as Majorette, a leading toy manufacturer — have done well with financial participation. At Majorette, the shares are distributed directly to the employees, with the number of shares based on the worker's pay level. The company has consistently turned a profit since the system was introduced and 90 per cent of the workers reportedly hold on to their shares as an investment. Today 18 per cent of the company's capital is in the workers' hands — against 7 per cent at Renault, where most workers sell their annual allotment as soon as they are allowed to.

Toronto Star Syndicate



"Cheer up! Things will pick up when we have our bankruptcy sale."

he concept of a so called "invest-ient wage," which later became egotiable under collective bar-aining, was introduced in **West ermany** in the 1960s. Ostensibly, is "investment wage" is an mount — over and above the gular wage — that employers are quired to "invest" on behalf of eir employees, for a minimum of ve years. During this period, the overnment pays bonuses of etween 30 and 63 per cent of the mount saved each year as an centive to saving and capital ccumulation. The employees have everal investment options, among hich is the acquisition of shares their own company. The over-helming majority, however, have xpressed a preference for the ccumulation of direct personal avings in the form of cash — paid nto banks or building society ccounts, for example — a course onsidered to be significantly less isky than the acquisition of equity apital.

ut employee indifference is not he only reason that worker share wnership is little more than a hird the U.S. level: West German avings laws restrict investment to he stock of public companies, hich comprise only a small frac-ion of all German firms. Not urprisingly then, this savings and nvestment scheme has had little ffect on capital redistribution.

A controversial proposal made in 974, however, would, if passed, ave required companies with nnual profits after tax of at least 00,000 DM ($200,000) to contri-ute up to 10 per cent of their rofit to a special holding or assets" fund jointly administered y the two sides of industry. The ntention was to further employees pportunities for share ownership nd to finance investment in those arts of the economy where it was eeded.

n 1975, the government of the **Netherlands** proposed radical reforms in the area of worker savings and profit-sharing schemes. It proposed that "surplus" company profits be paid into a central workers' fund administered by the trade unions, and that profit-sharing debentures — redeemable only after a certain time — be distributed to employees. Following a three-year debate it was proposed in 1977 that the levy become payable at a

...there is a clear and logical relationship between co-determination...and the matter of co-ownership

gross annual profit of about $90,000. The proposals also called for government nominees as well as employee representatives to be involved in administering the money raised by the profit levy. The initial amount of the levy was set at 20 per cent in the first year, rising by 1 per cent per year thereafter to a maximum of 23 per cent during the life of the present Parliament. Half of the profits thus creamed off would be used "collectively" to boost pensions (so that workers in enterprises with annual gross profits below $90,000 would benefit) while the remainder would be used to buy shares for workers in the companies in which the scheme applied, and would be tax-deductible for the company.

Existing Dutch legislation provides for a variety of financial participation schemes, including a measure of share ownership by workers. For example, a worker can give his employer the right to divert up to $370 a year from his gross pay into a special savings account administered by the employer or a bank. These tax-favoured savings can then be invested in the shares of the company in which the worker is employed, or elsewhere. All money saved by the worker in this way accrues a bonus payable by the employer. The legal minimum period for the operation of this type of scheme is four years.

According to *The Economist*, few of the 51 per cent of workers in Holland who participate in the profits of their companies take their savings in deferred form, and "most tax-favoured savings schemes are not profit-related." Like their counterparts in France, Britain and West Germany, Dutch workers prefer cash, even though it is taxed.

In **Sweden**, the Confederation of Trade Unions (LO) proposed in 1976 that a "wage-earners" fund be set up, whereby a portion of annual pre-tax profits from companies above a certain size would be allotted in the form of shares to a special fund to be administered by central and local workers' representatives. It was also suggested that dividends of the fund capital either be reinvested in further shares or be used to promote education, training, research and cultural activities for all union members. If adopted, such a scheme would in the long-run presumably shift actual control of companies to employees, and not surprisingly, it therefore met heavy opposition from industry and employer groups. Indeed, a committee appointed by management organizations to look into the matter argued that the LO scheme would destroy the normal functions of the stock market, bring about a serious shortage of investment capital, discourage innovation and expansion, and lead eventually to domination of the economy by large and powerful unions, thereby endangering political democracy. The management group suggested, instead, the establishment of a state-subsidized voluntary wage savings

system comprising a number of competing funds to be run by the wage earners collectively, with each individual retaining the right to withdraw after a stipulated term.

"The recent debate in Sweden has clarified two items," says the LO's Rudolf Meidner. "Firstly, there is wide agreement that employee investment funds could serve to overcome the shortage of risk capital in Sweden. Secondly, earlier ideas of company-based profit-sharing schemes are rejected by both labour and management." Meanwhile a compromise appears to be shaping in the direction of placing greater emphasis on capital formation, preferably through payroll contributions, and there are signs of a shift in emphasis from "employee funds" to the more "pluralistic" solution of "citizen funds" administered by representatives of political parties. Behind the scenes, a Royal Commission is examining various aspects of this complicated matter.

Unions in several European countries, including Britain, Ireland and Italy, have generally been hostile to traditional company-based schemes of financial participation — some because they consider such schemes constitute no real opportunity for employees to exert influence on decision-making in the company, while others view them as a management device for undermining union solidarity. British trade unions, for example, have generally resisted profit-sharing except in the form of straight cash payments, or in the form of allocations to union-managed workers' funds.

In **Denmark**, the unions have been urging the government to establish a scheme requiring companies to contribute a certain proportion of their profits to a union-controlled central workers' fund. They have made little progress toward achieving this goal, but a growing number of companies — including Atlas, Royal Porcelain, and Sadolin og Holmblad — operate voluntary profit-sharing arrangements. Although tax provisions similar to those in West Germany favour deferred employee share ownership, a part of the profits in Danish schemes has tended to go to a social welfare fund — to supplement state pensions and sick pay, for example.

...the various European programs...fall into two broad categories: those that seek to maintain a conventional system of profit sharing...and... those...that aim at removing the dichotomy between labour and capital through new forms of democratic collectivism

Also being discussed in Denmark is a scheme that would establish employee investment funds financed through payroll contributions. At the official level, a special commission has been set-up to examine profit-sharing and worker asset formation.

In **Italy**, the government has reportedly brought in what amounts to a compulsory savings scheme to offset cost-of-living raises to the higher-paid, while in **Britain**, the Treasury is at present drafting proposals to encourage firms to establish profit-sharing or asset formation schemes for their employees. Considering that legal enforcement of profit-sharing (as in France) has not worked as well as fiscal encouragement for voluntary schemes (as in the U.S.), the government is not expected to impose any single pattern. In any case, this would not suit all companies.

Although the idea of a cash dividend paid out to employees at the end of a successful year is not new in Britain, only an estimated 100 companies offer profit-related shares to their non-executive employees, with eligibility depending on length of service or annual earnings. They include Imperial Chemical Industries, Marks and Spencer, HP Bulmer, Habitat and Conder International. The last, for example, offers a sensible combination of cash payments and a voluntary share purchase scheme, thus making it possible to motivate employees through participation in ownership but not forcing it on them.

As a rule, shares are allotted to employees in proportion to their gross earnings during the year to which the profits relate, and are subject to income tax when vested, like any other form of remuneration. Employees may become full owners of their shares almost immediately or the latter may be withheld — for varying lengths of time — as an incentive for the employees to stay with the company.

At the European Commission, officials have been advocating the introduction of asset-formation schemes, arguing that they could help stimulate economic growth while holding the level of wage increases down. An EC directive on the matter would likely not dictate the shape of any European schemes, but rather leave the member states free to decide for themselves. Officials believe, however, that the principle of asset formation should be established by law in all countries of the European Community.

Broadly speaking, the various European programs for the financial participation of labour, which we have described in rather summary form, seem to fall into two broad categories: (1) those

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"Every time I make another million, the cost of living goes up!"

at seek to maintain a conven-
onal system of profit sharing (in
e form of "investment wages,"
r example) that is basically
nked to the individual firm and
dividual ownership, but which
so attempt to broaden the scope
their application; (2) those —
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European history, that empha-
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this assessment of the nature of
ese programs is accurate, what
levance do they have for the
anadian context, with its entirely
fferent traditions? Or to put the
uestion another way, to what
tent do these programs contain
ements that correspond to, or
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ciety? By examining some of the
otivating factors that have
ought the various programs into
the forefront in Western Europe, it may be possible to reveal more clearly their relevance, if any, to Canada.

First, there is a clear and logical *relationship* between co-determination (meaning the institutionalized participation of labour in managerial decision making) and the matter of co-ownership. If ownership confers the right of management, co-ownership of the means of production appears as a corollary to co-determination.

...what is at stake is not simply the redistribution of wealth, but also the redistribution of power

Secondly, co-determination, bolstered by co-ownership, is held to increase the *responsibility* of labour for production and productivity.

Thirdly, the European labour movement in advocating capital accumulation and collective investment plans, has recognized the limits that have been set on the realization of what has come to be known in Canada as "the fifth goal," namely, the "equitable distribution of income." Thus, while the welfare state, which has received significant and on-going support from the European labour movement through its trade union and political wings, has undoubtedly contributed to the rise in the standard of living of a broad range of the population, the fact remains that the traditional means of redistribution via taxation and personal transfers, have apparently had little effect on income differentials. As a result, attention has increasingly shifted from redistribution of income to redistribution of wealth.

Fourth, a reorientation in political ideology has taken place to the extent that the democratic labour movement in Europe has come to accept the mixed economy as the best guarantee for preserving democratic freedoms and trade union independence. It has therefore largely turned away from the traditional goal of public or state ownership as a universal means for social change. However, despite this broad acceptance of the market economy, the fact remains that limits have been set and rigidities created as the share of government of Gross National Product has continued to increase. Accordingly, in recent years, European social-democrats have been searching for new ways by trying to find, as former Swedish Prime Minister Olof Palme has put it, an alternative to "free enterprise capitalism" on the one hand and "the state capitalism of communism under minority rule" on the other. The introduction of economic democracy through co-determination, and participation via "Capital Formation in Workers' Hands" is seen as one possible option. Moreover, it should be noted that this revision of party programs — in or out of government — is by no means restricted to Sweden.

It was mentioned earlier that attention is shifting from re-distribution of income to re-distribution of wealth. Ostensibly this seems to be the aim of both the capital accumulation and collective investment plans. However, more is involved. It would appear they are directed primarily, if not exclusively, toward the acquisition of *equity capital* by workers. Yet equity capital constitutes only a small portion of total wealth. Moreover, an additional characteristic of equity capital is that no matter how widely distributed it may be, the power over its disposal still tends to be heavily concentrated in the hands of a relatively small group in society. Thus what is at stake is not simply the redistribution of wealth, but also the redistribution of power.

This might appear at first glance to be rather sinister, and indeed it is against this aspect of the issue, that the opposition is largely concentrated, particularly in the case of those programs that would make the *trade unions* the fiduciaries of the accumulating funds.

However, in modern society it has long been recognized that no particular group should have a monopoly on economic power and, therefore, government has been entrusted with wide, and in the opinion of many, excessive regulatory powers. Thus, while collective investment funds may well be thought of as an instrument for what has sometimes been called participatory democracy, the extent to which the latter objective is achieved is not independent of the nature of the "collectivity" that exercises control.

What form could or should capital accumulation plans and collective investment funds take in this country? It is important to realize how deeply the variety of programs suggested in Europe are rooted in the specific requirements and institutional structures in each country. Thus in determining their relevance for Canada many questions have to be raised.

our growing need for self-financing and greater independence from foreign capital markets...may well make the European experience highly relevant

One point we may note, for example, is that gross private savings make up an exceptionally large proportion of the Gross National Product in Canada, and, particularly in recent years, the importance of savings by personal and unincorporated business has greatly increased, with the corporate sector consistently relying on savings of the other sectors. Nevertheless, Canada is still heavily dependent on capital imports. This, however, may again be attributed to the restrictions placed on certain forms of personal savings to be used as risk capital, but also to the need for the exceptionally large capital needs in resource and energy development.

Another aspect of the question of acceptability may very well be that we are a far more pluralistic and individualistic society than those of Europe. Consequently, we have developed forms and institutions for capital accumulation by broad population groups: Home ownership — supported by home ownership savings plans — is a deeply ingrained tradition in this country, which, besides life insurance, is the most popular form of personal savings. There are the tax-advantaged retirement savings plans, mutual funds, government savings bonds, longer term trust and bank savings certificates at relatively high interest rates, and so on, all forms of capital accumulation, which we suspect (and we emphasize the word suspect advisedly), are less developed in Europe, and also possibly less available to the mass of wage earners.

There are a host of other questions.

1. Should the plans be voluntary or legislated?
2. If unions are to be the trustees how would the portfolios be distributed?
3. If investment were to go into individual enterprises how would shares be voted?
4. Would earnings be reinvested or distributed among workers?
5. At what level of the union structure would investment decisions be made?
6. What changes in our taxation system would be rquired?
7. How would such schemes relate to our highly fragmented collective bargaining system?
8. How would they relate to our private as well as public pension plans?

Nevertheless, whatever other and more fundamental aims the European capital accumulation plans may pursue, our growing need for self-financing and greater independence from foreign capital markets should give us food for thought, and may well make the European experience, albeit adjusted to our needs and conditions, highly relevant. lg

From A New Role for Labour: Industrial Democracy Today. *Reprinted with permission.*

George Sanderson is Executive Editor of The Labour Gazette *and editor of* A New Role for Labour: Industrial Democracy Today, *to be published later this year by McGraw-Hill Ryerson, Toronto. Prof. Paul Malles, a former senior staff member of the Economic Council of Canada, is an Ottawa-based consultant and author of several books and studies on industrial relations.*

Equal rights: fact or fantasy?

y Ed Finn

mployment and pay discrimina-
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ampaign of such magnitude
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nyone. Canadian laws requiring
qual pay for equal work fall far
hort of ILO Convention 100, on
hich they are ostensibly based.
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qual remuneration for work of
qual value, and it defined
remuneration" as including both
e basic wage and the fringe
enefits; i.e., the entire compen-
ation package. It also recom-

Ed Finn, information director for the Canadian Brotherhood of Railway, Transport and General Workers union, writes a regular column on labour for The Toronto Star.

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mended the use of a job evaluation method for measuring work value. This Convention was adopted by the ILO in 1951. Canada got around to ratifying it 21 years later, in 1972, and we now have what purport to be equal pay laws in all the provinces. They bear little resemblance, however, to the ILO Convention.

In the first place, all but a few provincial laws define "pay" as "wages" or "rate of pay,"which excludes the fringe benefits. Secondly, they define "equal work" not, as the ILO intended, as work of equal value, but as "same work" or "similar work." Thirdly, they confine their application to the plant or establishment rather than to the industry or even to all workplaces of the same employer. Fourthly, they provide for no system of job evaluation. Fifthly, they rely on voluntarism rather than compulsion. And sixthly, they are very weakly enforced, if at all, relying almost exclusively on investigations based on employee complaints.

Such ineffective laws have little deterrent effect on discriminatory employment and pay. The loop-

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Canadian laws requiring equal pay for equal work fall far short of ILO Convention 100...

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holes are so cavernous that any employer wishing to exploit or black-ball female workers or minority groups can continue to do so with impunity.

The loose definition of "equal work," for example, enables a company to keep women's pay rates down simply by giving them slightly different job duties. Even worse, it encourages employers to keep men's and women's jobs completely segregated, because, as the legislation now reads, a job that is filled only by women can be depressed to a uniformly low wage level because all the workers involved are being treated "equally."

By limiting job-pay comparisons to employees within the same establishment, Canadian equal-pay laws also permit an employer to evade them simply by staffing various plants with either men or women exclusively, or predominantly, and applying his discriminatory policies between rather than within such plants.

Experience with the enforcement procedures proves beyond doubt that workers who are discriminated against will rarely initiate complaints, partly because of ignorance of their rights and of equal-pay laws, but mainly because of their fear of company reprisals. A few provinces have instituted independent inspections to enforce the legislation, but because of limited resources and the inherent weakness of the laws themselves, nothing much has been accomplished.

In fairness, it should be conceded that the new federal Human Rights Act incorporates significant improvements over previous legislation. It conforms to the ILO Convention in requiring equal pay for work of equal value, and it empowers the Canadian Human Rights Commission to initiate complaints, to encourage affirmative-action programs, and even (where there is proof of discrimination) to *order* that an affirmative-action program be initiated.

More significantly, the federal Act recognizes the concept of indirect discrimination, which results when any employment qualification or condition, even though equally applied to all job applicants, is such that it debars proportionately more women or minorities. An example would be weight or height requirements, but it would also include educational standards not directly related to the jobs in question.

The loose definition of "equal work"...enables a company to keep women's pay rates down simply by giving them slightly different job duties

In the main, however, the new federal Act still relies primarily on *voluntary* acquiescence to its principles, and is at best a shadow of the affirmative-action policies, programs, and strongly enforced mandatory requirements that characterize anti-discrimination policies in the United States. We are still a long way in Canada from a public policy or climate of public opinion in which a huge corporation such as the American Telephone & Telegraph Co. can be forced to do away with its sex-segregated job classifications, pay its employees who were discriminated-against $38 million in compensation and another $23 million in pay increases, and provide remedial upgrading courses to qualified female employees.

We are even further away from introducing mandatory quota systems to ensure the hiring of fair and proportionate numbers of women and minorities, as U.S. courts have done, or to give such employees retroactive seniority credit for the time they were unfairly denied employment or advancement.

This is not to imply that all is sweetly Utopian in the U.S. For one thing, the very effectiveness of their equal pay and employment laws, and their vigorous enforcement, have generated a backlash. Aggressive affirmative-action programs are being attacked on the grounds that they necessitate *reverse discrimination* against men and majority groups, and that the fixing of quotas leads to the hiring of unqualified or less-qualified persons.

This crucial issue will be tested soon in the U.S. Supreme Court, where a case is soon to be heard involving a white male medical school applicant who alleges he was denied admission because of the school's preferential system for minorities. An article by McGeorge Bundy in the November 1977 issue of *Atlantic* magazine goes into the pros and cons of this case, and its far-reaching implications for the future of affirmative-action programs. Like most other human rights advocates, Bundy supports affirmative action and all that is entailed to make it work,

...workers who are discriminated against will rarely initiate complaints, partly because of ignorance of their rights...but mainly because of their fear of company reprisals

"There is no racism in this plant...it's only those damn foreigners who say so!"

and he defends it admirably from the attacks of the reverse discrimination critics.

We don't have to worry about this problem in Canada. Before you can get a backlash, you have to have something positive and effective to generate it, and we're still much too timid to embark on the kind of serious anti-discrimination crusade that's going to offend the business community. A country that backs down from enacting and enforcing even modest work-safety laws

A country that backs down from enacting and enforcing even modest work safety laws... is not going to risk incurring their [employers] wrath by pushing equal pay and employment policies

because of a fear of offending employers and adding to their operating costs is not going to risk incurring their wrath by pushing equal pay and employment policies that will cost them many millions of dollars more.

I don't mean to indict the entire Canadian business community. At least a dozen major companies, including Shell Canada, Bell Canada, and Manufacturers Life, have voluntarily initiated affirmative-action programs and are sincerely doing what they can to break down their institutional job and pay barriers that keep women, native people, and minorities out of the better-paying jobs — or out of their workplaces altogether. These firms deserve credit for this kind of corrective action, but they are still very much the exception rather than the rule among Canadian employers.

It should be stated, too, that although racial and sexual prejudices do play a part in some companies' personnel practices, they are not the most important factor. The overriding cause of unequal pay and employment is not bigotry or racism, or even male chauvinism. It's corporate self-interest — the desire of all companies to make the highest profits.

One way to do that is to keep labour costs down, and that in turn can be achieved in large part by setting a low value and pay rate on as many jobs as possible, and then finding people willing to fill such jobs. In many cases these will be women, or they'll be immigrants, or native people. But in non-union plants they could be white Anglo-Saxon Protestant males. And if an employer can get a robot to do a job more cheaply still, he'll fire the incumbent, regardless of whether it's a man, a woman, a black, or even his wife's second cousin. In short, a company isn't in business to provide adequately remunerated jobs; it will provide the minimum number of jobs needed to keep operating, and will set the pay rates no higher than is needed to attract workers or overcome unions' collective bargaining power. The discrimination that results is not sexism or racism. A businessman doesn't pay women and members of minority groups less *because* they are women or minorities; he pays them less because it's profitable and — at least up to now — because he's been able to get away with it.

I am not implying that women and minority groups in Canada have meekly accepted their relegation to second-class status in the work force. Large numbers of them — particularly those who are second income earners in a family — have been rather too willing to take underpaid jobs; and thousands have refrained from joining a union when they had the chance. But many more have been the unwilling victims of company exploitation, government and public indifference, and — yes, the failure of most unions to make equal pay and fair employment policies a priority issue in their political action and educational programs, and at the bargaining table. The labour movement believes in these principles, and reaffirms its commitment to them in its briefs and publications, in speeches and resolutions at conventions, but is somewhat less than consistent in putting them into practice. The same inconsistency is evident, too, in the pursuit of objectives of special concern to female workers, such as maternity leave and day-care facilities.

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Some unions have given these issues the attention and effort they deserve, and the Canadian Union of Public Employees rates a special commendation. It has not only launched and maintained an effective campaign for affirmative-action programs by private employers and governments, but it has also undertaken affirmative action in its internal administration. This has resulted in doubling its numbers of elected national, provincial and local female officers, as well as the number of female delegates at its national conventions. And of course the national president of CUPE — the largest union in the country — is also a woman. I wish I could report that most other unions are also moving to give their female members proportionate representation in elected and appointed leadership positions; but, although there is some progress in this direction, it is much too slow.

Toronto Star Syndicate

"That's taking equal rights too far!"

It should be pointed out, however, that this aspect of affirmative action — as well as the issue of seniority rights — conflicts to some extent with the basic democratic concepts and procedures that unions live by, and which are spelled out in their constitutions. Elections, for example, are between candidates who are nominated and accept nomination; and if no women are nominated and agree to run for office, the predominance of males in leadership posts will remain. There is no provision for encouraging female members to seek office, or for giving them the kinds of special consideration that affirmative action sometimes necessitates to make up for years of neglect. It is still assumed in most union locals that it's up to female members to jump into the electoral battles and take their chances against the men, and that the ensuing majority vote, because it's "democratic," is also fair.

The same divergence between democracy, as defined by majority rule, and the fair treatment of women and minorities in the work force, is evident in unions' reliance on the seniority clauses in collective agreements. Under these clauses, employees with the longest service get preference in jobs and promotions, choice of work shifts, and basic job security. In the event of layoffs, it is the junior employees — those with the least seniority — who lose their jobs.

...if an employer can get a robot to do a job more cheaply still, he'll fire the incumbent, regardless of whether it's a man, a woman, a black, or even his wife's second cousin

The seniority clause has obvious advantages to union members. It protects them from arbitrary management decisions, and it also rewards them for long service. Unfortunately, by creating a work force hierarchy and freezing job privileges, the seniority clause can also have the effect of obstructing remedial measures aimed at eliminating discriminatory employment and pay practices.

The unions representing A.T.&T. employees in the U.S. protested the court decree that superseded the seniority provisions in their collective agreements regarding transfer and promotion. Court orders to give women and minority employees retroactive seniority credit are especially objectionable to unionists, because they reshuffle seniority lists in a way that inevitably pushes some employees further down the ladder of promotion and protection than they otherwise would have been. They also create a great deal of internal conflict and turmoil that union leaders would prefer to do without.

It is still assumed in most union locals that it's up to female members to jump into the electoral battles and take their chances against the men...

Personally, I believe this kind of affirmative action override of seniority rights and clauses is essential to redress the wrongs suffered by women and minorities in the workplace. But it would be unrealistic to expect unions to make these changes voluntarily. They simply aren't structured to do it. Their constitutions don't cover such situations, and their voting procedures — based as they are on majority votes carrying — would only confirm the status quo. Unions are self-interest groups. Their chief function is to serve the interests of their members. A vote among those members covered by a seniority clause, giving them a choice between preserving their rights and privileges, or opening up the seniority list to new employees or to those previously excluded, will invariably be a vote against change. It's selfish, but all

o human. It's also "democratic," d union leaders, regardless of eir personal feelings, are bound the results of such a vote.

the United States, because of e tougher legislation and nforcement there, unions have en obliged to make their niority lists broader and more cessible to employees who have en discriminated against. The tablishment of joint labour-anagement affirmative-action mmittees in many plants and fices has aided this trans-rmation immensely. The prin-pal improvement is to broaden e seniority list to include all nployees of a company, rather an having a separate list for each partment or location. In this ay, qualified employees can ply for jobs in other parts of a mpany's operation that would t be open to them under more arrow seniority provisions. The ther major change that the U.S. gislation has compelled is to ive special status to job bidders ho have been adversely affected y discriminatory practices in the ast.

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oth unions and employers in anada need the same kind of gislative push that has been upplied in the U.S. Without it, the ertia of employers and the onservative democracy (or demo-ratic conservatism) of unions will ombine to prevent a much-eeded reform of seniority rights this country.

emocracy is an admirable system r unions to use in most of their olicy and decision-making proce-ures. It is certainly preferable to uthoritarianism. But, as in

...the collective bargaining process, affected as it is by the unions' reliance on majority rule voting, is not the ideal instrument through which to seek the redress of wrongs suffered by women and minorities...

national democracies, it has the drawback that what's good for the majority isn't necessarily good for the minority. Most countries with democratic governments adopt safeguards to protect minority rights, but it isn't practical for unions to do so, other than to allow for appeals to internal union tribunals and conventions.

The collective bargaining process, too, is subject to this limitation. Most bargaining units are not homogeneous, but are composed of numerous subgroupings by age, sex, skill, length of service, and so on. It is difficult, and often impossible, to work out a collective agreement that satisfies all these components, particularly when a compensation package has to be split among many terms of employment. Take, for example, pension improvements which older workers consider vital but younger workers couldn't care less about. Should the union accept less in pay and other benefits in order to get better pensions? If it comes down to a vote, the issue is decided on how many workers are 40 and over, and how many are in their 20s and 30s. If the older workers are in the minority, they will have to wait for their pension gains. That's democracy at work, but what's democratic isn't always equitable. The same precept applies to the pursuit of maternity leave, day-care, and other issues of special concern to women. To the extent that these objectives included in a union's contract demands have to vie with others that are considered more important by more members, to that extent will they tend to be dropped at an early stage in the negotiations.

In short, the collective bargaining process, affected as it is by the unions' reliance on majority rule voting, is not the ideal instrument through which to seek the redress of wrongs suffered by women and minorities in the world of work. It will take tough legislative action to override these built-in barriers. It will take laws with teeth in them, and strong enforcement measures, and the kind of sweeping court rulings that have been handed down in the U.S.

Both unions and employers in Canada need the same kind of legislative push that has been supplied in the U.S.

It is difficult to be optimistic about the prospect of our legislatures emulating the Americans. The affirmative-action legislation there was passed only after the mobilization of intense political pressure by a large and militant black minority, and by an equally large and militant women's liberation movement. Our racial minorities are not nearly as large or as aggressive. Our women's rights organizations are becoming increasingly vocal, but have not been able to muster enough political clout as yet to make the politicians respond in the way they should. The injustice that prevails in pay and employment is such, however, that those who wish to see it corrected must continue and intensify their efforts, and keep trying to enlist the support of all those who believe in fair treatment for everyone, regardless of sex, race or creed. Most Canadians

profess that belief. They need to be challenged to put it into action.

One caveat, in conclusion. Effective legislation, in my view, is a prerequisite to doing away with unequal pay and employment practices. But it isn't a panacea. It can lead to breaking down the sexual and racial barriers, and opening up new job opportunities to women and minorities. But it can't, in itself, as Professor Harish Jain of McMaster University has pointed out, ensure that there will be sufficient qualified people to take advantage of those opportunities.

A concomitant aspect of the discriminatory policies women, native people, and other minorities have endured is that they have not only been denied more rewarding jobs, but also access to the prior education and training that would qualify them for such jobs.

In one of his excellent papers on this subject, Professor Jain offers

...the new federal Human Rights Act incorporates significant improvements over previous legislation...

some valuable recommendations, which I fervently endorse.

He urges the Department of Employment and Immigration to revise its manpower training programs to make them more accessible to women and minorities, even if this entails special funding and encouragement.

He suggests that employers who agree to initiate affirmative-action and career-development programs be eligible to receive federal subsidies to cover a substantial part of the extra payroll costs involved.

And he also proposes that language training and other kinds of special assistance be given to immigrants and others who suffer job discrimination.

These are certainly measures that, in tandem with effective anti-discrimination laws, are needed to achieve the goals of pay and employment equality. But little will be accomplished until more of us get behind this campaign, and give it more than lip-service support.

...before you can get a backlash, you have to have something positive and effective to generate it...

We Canadians are great advocates of justice and equality of opportunity, as long as they remain abstract principles. We're all in favour of women's rights, and native rights, and minority rights, if all that is required of us is to pass a piously worded resolution at a convention and then forget about it till the next convention.

The achievement of equal pay and employment for women and minorities requires a great deal more than tokenism. When we stop citing all the obstacles facing us as excuses for inaction, when we stop rationalizing our apathy, when we finally accept the formidable challenge of applying these principles to our factories, shops and offices — then, and only then, will progress be made. If I have seemed more preoccupied with examining the problems than in finding solutions, it is only because the problems are more obvious, while the solutions can only come with the active commitment of many more Canadians to this cause. lg

"Discrimination? Nonsense, we treat French Canadians like any other English-speaking group."

Equality of opportunity: the emerging challenge

by Sandra Woods

"Discrimination in the workplace is one of the most pervasive and iniquitous of discriminatory practices. It interferes with the individual citizen's ability and right to support herself or himself and thus ultimately concerns the question of basic human dignity," said Gordon Fairweather, chief commissioner of the Canadian Human Rights Commission, speaking at the Fourth Canadian Compensation Conference held in Montreal, January 19, 1978.

Sponsored by the Conference Board in Canada, the conference addressed the subject of *"Equality of Opportunity: The Emerging Challenge"* and the role of the new Canadian Human Rights Act.

The Act, which covers those organizations under the jurisdiction of the Canada Labour Code, prohibits discrimination on the basis of race, national or ethnic origin, colour, religion, age, sex, marital status, physical handicap, or conviction for an offence for which a pardon has been granted.

As of March 1, 1978, responsibility for interpreting and implementing the Act, passed by Parliament last June, will rest with the Canadian Human Rights Commission.

Chief commissioner Fairweather told the 250 representatives, mainly from management in government and the private sector, that Canada was in an unsettled economic period, and that Canadians were lucky that such legislation was already in place.

"Under the stress of inflation, unemployment and economic uncertainty, society tends to fragment more easily. As everyone scrambles for a piece of the rapidly diminishing pie, intolerance and discrimination increase," he said.

The Commission will investigate complaints and act on them in a variety of ways from conciliation to enforcement orders. It is also responsible for the protection of the privacy of individuals with respect to information in government files, as well as public education about human rights. A commission tribunal has the authority to order an employer to cease discriminatory practices and to ensure that they do not recur.

"...'Equal pay for work of equal value'...ignores the concept of equal employment opportunity, whose goal it is to eliminate job ghettos..."

While most legislation concerned with human rights usually speaks of "equal pay for equal work," the Act introduces the concept of "equal pay for work of equal value."

This was designed to allow those women employed in "women's jobs" — which are traditionally underpaid — to receive equal pay with groups of men who perform work of equal value.

In practical terms, a group of secretaries (mainly female) could claim that its functions are of equal value to those of a group of technical workers (mainly male) employed in the same establishment. The criteria outlined in the Act for establishing "value" are skill, effort, responsibility, and working conditions.

"We hope that its application will help narrow the embarrassingly large gap between the average earnings of men and women," concluded Fairweather.

One of many speakers at the conference who felt the "equal value" concept would mean problems for the employer was Harry Pilkington, vice-president of personnel at Bell Canada.

Pilkington said that "work of equal value" may not necessarily mean equal opportunity, and may in fact undermine it.

"...'Equal pay for work of equal value'...does not provide the sole basis for eliminating wage discrimination. To some degree the concept may rectify differences in pay between men and women in cases of equal work, but ignores the concept of equal employment opportunity, whose goal it is to eliminate job ghettos..."

Pilkington said the "equal value" concept may even promote job ghettos. He cited the example of an employer with two different jobs, with two different pay schedules.

"The lower-rated job has some female population, while the higher-rated one has none. A complaint that the jobs are of 'equal value' is upheld. Now all incumbents of the lower-rated job, male and female, must be paid the higher rate. A competing employer, having no employees in the higher-rated category, will be under market pressure to pay the higher rate to employees on the lesser job.

"If the original employer has female employees in the first group, then rates — male and female — on the third job must be adjusted upwards. And so on."

He predicted that employers may even avoid encouraging females from venturing into a traditionally male and semi-skilled group "...knowing that by the very presence of females, the occupation may be subject to an evaluation that may equate it to a skilled craft group."

Employers may, he said, resort to carefully structured female work ghettos — not to avoid increasing women's wages, but to avoid the "ripple" effect on men's wages.

And what if collective bargaining fails?.... Must the employer take unilateral action to change discriminatory practices in his collective agreements?

And to complicate the matter even more, an employer may not be able to adjust wages. Wage levels may be established by a collective agreement, or economics may limit the ability to increase wages.

Pilkington said the Commission will have to research and identify the factors that determine wages — supply and demand, collective bargaining, zoning, and salary progression plans.

The effects of "work of equal value," he warned, were staggering and he outlined the following fears:

- If job evaluation forms the basis on which the value of jobs is assessed, government intervention would be necessary.

- There would be massive government intervention in collective bargaining and the setting of general wage levels. The Commission would be making decisions that could have severe economic labour relations implications.

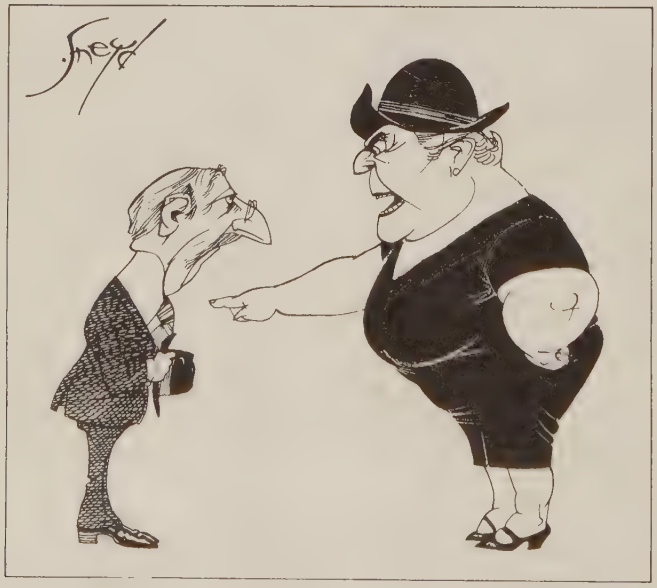
- Employers and regions would no longer be sensitive to the market forces of supply and demand.

- The ability to produce price competitive goals for national and international markets would be jeopardized.

Keith E. Hunt, vice-president of industrial relations and organization at Canadian National Railways expressed his concern that the Act interferes with the process of collective bargaining, and may override it.

In the short-term, all employers will have to review existing collective agreements to make sure they conform to the Act. He cited the example of seniority — which, while not discriminatory in itself, may have that effect on minority workers. If an employer feels that a seniority unit does have a discriminatory effect, he has to try and correct the situation through collective bargaining. "Management will be asking labour to bargain away seniority rights to which a majority of their members have been entitled," he said.

Employers will also have to examine benefit plans to ensure they do not discriminate on the basis of age, marital status, or sex. The legislation will affect age limitation on entry into company pension plans, apprenticeship programs, and retirement. Hunt said the result will be additional tensions at the bargaining table.



"And let's have no more of this chauvinistic talk about equal rights, Harold!"

nd what if collective bargaining ils? he asked. "Must the nployer take unilateral action to nange discriminatory practices in s collective agreements? If he es so, the employer could be ubject to charges of violating the anada Labour Code."

nd while the Act states that rievances should be taken rough regular channels before eing submitted to the Commis- on, Hunt says unions may now arry forward grievances they ould otherwise have rejected, to rotect themselves against harges of discrimination.

Quotas and tokenism are good or nobody. The costs of lacing unqualified people in obs because of some attribute ther than merit can be very igh..."

"To allow indiscriminate individual nforcement of rights under the collective agreement may threaten he effectiveness of the union by undermining its ability to compro- mise the frequently conflicting nterests of its constituency," said Hunt.

ssues formally resolved through collective bargaining are now eing taken over by social legis- ation. Hunt cited the examples of health care, safety, dental care, ayoff benefits and working condi- ions.

"If protective social legislation continues to dictate conditions at he workplace, such legislation could threaten the survival of unions — at least, in their tradi- ional role of protector of employees' rights," he said.

Mary Lennox, president of the Communications Workers of Canada, declared that unless

"If protective social legislation continues to dictate conditions at the workplace, such legislation could threaten the survival of unions..."

unions and management work hand in hand, the legislation will not be successful.

She expressed her concern that few labour representatives were present at the conference and that it was mainly management talking to management.

Lennox, who was a last-minute substitute for Andy Stewart, president of the Public Service Alliance of Canada, had few polite words for those who had reservations about the legislation.

"I represent the lowest paid group in Bell Canada and they are 98 per cent women. Women have not been treated kindly by Bell Canada...I don't think they know how women feel, and I don't think they care. Bell Canada has never had a female vice-president.

"They (women) are the people who do all the work. And most of the time they do it so effectively, no one notices. Women are seen as obnoxious. Most of the women who make it are very young, very good, and very nervous...I'm going to be among Mr. Fairweather's first customers," she said.

Rowland C. Frazee, president of the Royal Bank of Canada, said he hoped that equality of opportunity was not seen as equality of representation. He said progress measured by statistics would lead to tokenism, quotas, reverse discrimination and a breakdown of the merit principle.

"Quotas and tokenism are good for nobody. The costs of placing unqualified people in jobs because of some attribute other than merit can be very high, not only for the individuals involved, but for the nation as a whole, everybody loses," he said.

"The crux of the matter is that the objective is not to shoot for any 'ideal' proportion of representation in a given job category. It is, rather, to remove unfair and discriminatory barriers, so that each person has the freedom to advance according to his or her own wishes, depending on the person's own energy, skill, qualifications and merit."

Women have made up the majority of the work force in banking for the past 30 years. And while they now make up two thirds of all bank employees, Frazee said the banks have not been especially alert to the aspirations of these female employees.

Major advances have been made in the past decade and most of the obvious barriers to the advancement of women have been removed in the banking industry, Frazee maintained.

But while the Royal Bank has defined equal employment opportunity as a corporate objective, it wasn't enough, he said. "...Such statements, unless followed up by real action, would be regarded as motherhood or windowdressing. And if male managers think senior management is only talking, they'll go right on doing what they did before. On the other hand, if female employees perceive such statements as empty propaganda, their resentment increases, and you are in more trouble than before."

What is called for, is a thorough examination of policies and procedures to make sure they adhere to the equal-opportunity philosophy.

But, because policies are implemented by people who have their own attitudes and prejudices, the biggest problem becomes the gap between policy and practice, Frazee observed.

"It is still the standard assumption that drive, ambition, career-mindedness and competitiveness are masculine qualities — and that sensitivity, emotion, non-aggressiveness and empathy are feminine traits. In the task of closing the gap between equal employment opportunity policy and actual practice, these stereotyped assumptions are the major barrier," he asserted.

On a more encouraging note, Henri Tremblay, vice-president of personnel at Steinberg Limited, said that equalizing employment opportunities for women was not only a question of human rights, but a question of good business sense. "To refuse to tap and optimally utilize that labour pool is not only unjust, it is managerially stupid."

Tremblay said that management should have a close look at how it places people in jobs. Words like "leadership," "aggressivity," "adaptability," and "self-confidence" are meaningless, he said, because they can be seen as either "virtuous or sinful," depending on who is making the decision. This method of assessing people is evaluative and it would be more relevant to determine how people behave in a "performance-related" situation, he added.

In response to a question from the audience, however, Tremblay disclosed that Steinberg has only two female managers in about 200 stores. When asked what the company had done to improve the status of women he replied: "We haven't done anything in this area, quite frankly...We've got a lot of work to do."

"It is still the standard assumption that drive, ambition, career-mindedness and competitiveness are masculine qualities..."

Ruth Gilbert Shaeffer, of the Conference Board in New York City, said the United States Supreme Court has repeatedly said that discrimination is determined by the *consequence* of an employer's actions, rather than by his *intent*.

"Any action he takes which has an adverse effect on the employment opportunities of any protected group — those of some particular race, colour, religion, sex or national origin — is unlawful unless the employer can justify that action as being necessary for the safe and efficient operation of the business," she said.

When an employer is not filling jobs with members from a protected group in roughly the same proportion as their representation in the labour force, he may be violating the legislation.

"In other words, just as soon as statistics establish that an employer's actions have an adverse effect on the employment opportunities of some protected group, the burden shifts to him to eliminate that effect if he can or, if not, to be prepared to prove his discriminatory conduct is necessary. And that's hard to do," she said.

When American employers examine their policies "they frequently find that many of their long-established standards and procedures for selecting employees are quite irrelevant to predicting successful performance on specific jobs," observed Shaeffer.

Large companies have tended to make the most progress and she suggested this is because they do more internal staff training and because they have more staff available to make sure managers understand the equal opportunity requirements. Also, it is often the big companies that have been "under the gun" and the experience has been that tough enforcement of the regulations does seem to make a difference.

"We now see that, even with the best of intentions and with rigorous continuing efforts, it is likely to be several decades before women and minorities come anywhere near parity of representation in many job categories..."

Kathleen Ruff, director of the Human Rights Code for British Columbia's ministry of labour, said many Canadians think the U.S. experience was a failure because it resulted in class actions and large settlements affecting entire industries. In Canada, discrimination has mainly been dealt with on an individual, case-by-case manner.

Ruff said the evidence shows that individual settlements in Canada had only a token effect. "The evidence shows for example, that the gap between what women are paid and what men are paid continues and is, in fact, widening."

"The unemployment rate of native people remains appallingly high. The chances of getting work for a person with a physical disability, no matter how competent the person, remain dismally low. Visible minorities continue to find their opportunities restricted mainly to certain ghettoized areas and all too frequently find that the minimum wage, poor working conditions and no job protection are their lot." lg

CLC Ottawa conference

Women's battle for equal rights

by Christine Fisher

Despite a more and more frequently voiced complaint that in times of increasing unemployment the plight of women in the work force is of minor importance, the more than 400 union women from across Canada who met to discuss equal opportunity and equal treatment for women workers made it clear that such a position cannot and will not be tolerated.

At the mid-January Canadian Labour Congress conference in Ottawa, little was said about such issues as day-care or maternity leave following the keynote speech by Mme Yvette Rousseau of the Advisory Council on the Status of Women. Although Mme Rousseau stressed the need for recognition of the problems women face in their double roles as working mothers, it became apparent that the delegates were more concerned with the growing threat toward women's rights to work at all when so many men, the traditional breadwinners, are unemployed.

The first full day of the conference opened with a panel on equal pay presented by Marnie Clarke from the Ontario Ministry of Labour Women's Bureau and Keith Davis from the Canadian Union of Public Employees (CUPE). Ms Clarke pointed out that despite provisions for equal pay for equal work under the Employment Standards Act, the gap between the wages of men and women is widening.

The growing imbalance can be explained partly by the fact that women re-entering the work force start on the bottom rung of the pay ladder, and partly by the existence of women's job ghettos — low-paid, predominantly female occupations such as clerical and retail sales work to which many women turn either from lack of imagination or from lack of other marketable skills.

Clarke sees two solutions to this dilemma: first, job evaluation of dissimilar occupations (for example, secretaries and truck drivers working for the same employer), and second, a concerted effort by women to move into occupations traditionally filled by men. Job evaluation, however, falls down when women themselves accept the low value placed on their skills. Women have so far failed to take advantage of equal-pay legislation, in some cases because of fear of reprisals, but for the most part because of a combination of lack of knowledge of the law and poor attitudes toward their own status in the work force.

However, while it is essential that women familiarize themselves with existing legislation, unions can play an equally if not more powerful role in the implementation of equal pay for work of equal value. Clarke urged the delegates to make collective agreements work to the advantage of women. In

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"I'm not against women's rights, but I refuse to accept the word personuscript!"

reply to a comment that male supervisors continue to pick men for promotion, Clarke advised all delegates to form women's committees within their own unions and to enlist the help of their provincial Women's Bureau, which could work "from the top" by encouraging employers to set up voluntary affirmative action programs.

Keith Davis, a job evaluation specialist from CUPE, assured the delegates that most men appreciate the problems of their women co-workers. Few employers, on the other hand, are willing to recognize the need for job evaluation, and therefore legislation is the only sure means toward widespread improvement. The new legislation contained in Bill C-25 is, in Davis's view, "quite progressive."

Concerning the complex task of job evaluation, Davis warned the delegates that unions must ensure that their own personnel, involved in negotiations over job evaluation, are thoroughly conversant with all aspects of the problem and are prepared to negotiate objective standards for evaluation, to educate unenlightened union members, and to come to terms with the contentious question of overpaid jobs that come to light in the evaluation process.

Even when a job evaluation program is successfully carried out, however, a final barrier remains in the cost of its implementation. At the Health Sciences Centre in Winnipeg, approximately 2,000 jobs were analyzed and assessed according to four criteria: skill, effort, responsibility and working conditions. As a result, pay increases of up to 50 per cent for some female workers were deemed necessary, but the Anti-Inflation Board rolled back the requests and allowed pay claims only at the basic level of equal pay for equal work. The intransigent position of the AIB led Davis to wonder aloud whether the Board had actually ever heard of job evaluation.

Following the panel presentations, one of the first points raised from the floor was that all this fine talk about equal pay and so on was of no help in the face of the increasing threat to women's right to work. The panel agreed that there is, indeed, growing hostility in some quarters against what is mistakenly seen as the usurpation of men's jobs by women. The delegates were advised not to be

Women have so far failed to take advantage of equal-pay legislation, in some cases because of fear of reprisals...

daunted by such ill-founded and outmoded attitudes; in a society where many women are heads of families, any plea for a return to the traditional male/worker, female/housewife roles is both irrational and unrealistic.

One of the few male delegates, a worker from Stelco, asserted that job evaluation, far from helping women, would serve only to lock them even more firmly into lower-paid jobs. Another male delegate complained that job evaluation plans were usually so complicated that not only the workers but also those charged with implementing them were thoroughly confused. When doubts were expressed about the effectiveness of voluntary affirmative action programs, Marnie Clarke replied that while affirmative action is certainly not failing, it is a two-edged sword which requires not only government action but also a commitment from women workers and a readiness on their part to push themselves forward and to make their unions work for them.

When discussion moved from concrete facts and statistics concerning equal pay to the more abstract and intangible realm of equal opportunity, the emphasis shifted to exhortation and consciousness-raising. Into the arena stepped Frances Soboda, a steelworker who is vice-president of the Nova Scotia Federation of Labour. "I will not be quoting a lot of statistics to you," she began. "There will be speakers much more expert in that area than I. I would like to talk to you on a personal level. There are two areas of equal opportunity I want to discuss with you, one being in the workplace and the other within the labour movement itself."

Soboda gave a brief and lively account of her transition from the office of the shop floor of a New Glasgow steel plant, where, she said, the men "were quite delighted to have women working with them, and I don't know of a single problem any of us have had that was based on the fact that we were women."

Not only was Soboda one of the first of two women to join male workers in the shop, but she was also one of the first women in her local to hold an executive position. In the course of her training for the union, she attended a number of labour schools, describing her experience at the Labour College of Canada in 1975 as "one of the absolutely outstanding events of my life," and she urged the delegates to apply for scholarships to the college. From her first executive post as grievance person in 1973, Soboda was elected vice-president of her local and plunged into an astonishing array of committee duties before her election, in September 1977, to the position of vice-president at large of the Nova Scotia Federation of Labour.

Soboda paused while the delegates pondered the implications of

ne need for boundless energy and evotion to the cause. "Now," she ontinued, "why did I tell you all nat? It wasn't because I like to alk about myself, but because of ne subject I'm speaking on. If ou're like me, you don't like to ave people tell you what to do vhen they haven't done it themelves. I'm not one tiny bit righter, or smarter, or more ducated than any of you sitting ut there. If I can do it, sisters, ou can too. In fact, a lot of you an do it better, once you get oing. What I am trying to do oday is give you an example of vhat you can be doing and hopeully give you some encouragenent to go back home and do the ame and even better."

But, Soboda warned, "I never said t would be easy." Active women nionists will be told by men and vomen alike to go home to their husbands, children and kitchens. When a female trade unionist is riticized, she is apt to be criticized for her appearance or personality more than she is for her vork. Some people have trouble ccepting the fact that a female an have an ideology, much less e dedicated...Each time you win n election," said Soboda andidly, "there will be a debate n your morals, and great stories n how you 'really' won...All we an do with these morons is atiently wait it out and hope that t least some of them will evenually accept your sincerity and ecognize your hard work.

"The more you get involved in neetings with politicians, the nore frustrated you will become vith our political process and the pparent lack of concern our government has for the well-being and dignity of the working people of this country...When you see people being terminated from their employment just months before their retirement is due, you'll get angry...When you see individuals

Toronto Star Syndicate

". . . then the princess slew the dragon, swept the handsome prince up on her white charger and rode off into the sunset."

or groups of working people not organized or being mistreated by their employers, you'll get angry..." But this anger can be constructive, Soboda counselled. "It is not as negative as it sounds. What happens is that it forces you to dig deeper and dig in. You search yourself and identify clearly what you are and who you are. Believe me, you'll come out fighting every time. And you'll wake up in the morning with a good feeling, exhilarated by the battles and knowing you have a purpose in life." Soboda concluded by expressing the hope that this conference, and the one in March 1976, would be referred to in the history of trade unionism as, "the birthplace of the tremendous wave of female participation in, dedication to, and leadership of the trade union movement in Canada."

The delegates received this speech enthusiastically and also applauded loudly a brief speech by Lise Ménard from the Service Employees' International Union, which crisply enumerated the difficulties that women unionists and workers face in the paternalistic climate of Quebec. Sandwiched between these two speeches was an encouraging and informative paper given by Florence Wilkie, director of the government of Saskatchewan's Career Development Office, which, since its inception in January 1976, has worked successfully to improve the lot of women employed in the Saskatchewan public sector. In addition to providing career counselling to more than 600 women, Wilkie reported, the Career Development Office set up a number of workshops for women employed in the predominantly female areas of administrative support and health assistance, where women comprise 23 per cent of the total number of workers.

The workshops offered practical help in teaching skills such as resumé writing, but the main aim was to provide motivation and encouragement to expand occupational horizons.

"For some," Wilkie said, "devel-

oping the courage to write grade 12 equivalency exams was a big step; others enrolled in part-time classes; and two of the participants have enrolled as full-time students in the non-traditional fields of agriculture and engineering."

Ms Wilkie described a further project, an academic upgrading system named the Administrative Development Program: "This program was launched as a means by which persons dead-ended in stenographic or clerical positions could acquire the academic qualifications to facilitate upward mobility...We are extremely proud of the results achieved through this program to date. Some participants have elected to remain in their jobs until they have completed the program. Some others who elected to begin the climb up the career ladder have been very successful — they have moved from clerical to administrative positions. Three of the women have moved from Clerk IV positions to Administrative Officer II positions, a three-step jump accomplished in less than two years. Upward mobility at that rate occurs very rarely in our public service."

The Career Development Office also provides advice and assistance to the affirmative action programs that are beginning in many of Saskatchewan's government departments. "We see an affirmative action program as a mechanism by means of which concentrated activities based on identified needs can occur in a particular area — a program that tackles the issue of accessibility to training and jobs and allows everyone to 'share in the wealth' of educational and promotional opportunities."

Wilkie's positive report would have benefited from being placed first among the speeches on equal opportunity. Coming as it did after Soboda's call to action, it received only polite applause, and during the ensuing question period little interest was expressed in what advice Wilkie might have had to offer. Several delegates demanded an opportunity to prepare resolutions and recommendations arising from the conference, and even after organizers had explained repeatedly that the purpose of the conference was education and not policy-making, and that resolutions could come only from locals and not from individual delegates, the same question continued to be raised.

...while affirmative action is certainly not failing, it is a two-edged sword which requires not only government action but also a commitment from women workers...

For the workshop sessions, delegates were offered a choice of 15 topics ranging from private and public sector bargaining to women and the political process. Four new topics for discussion this year were retirement, women and unemployment, occupational safety and health, and the young worker.

Eighteen delegates attended the equal-opportunity workshop presided over by Joy Langan from the British Columbia Federation of Labour, who led the group through a series of exercises designed to pinpoint and clarify specific personal instances of success and frustration in terms of equal opportunity. The women swapped many a wry story about such things as sexist jokes made by male co-workers, and telephone inquiries which end, after the woman has answered the query, with, "Can I speak to the man?" Nevertheless, a fair number of women reported several positive experiences in job training opportunities and in acceptance within their unions. The group members came out of the workshop not only with ideas and suggestions about how to solve their personal work problems, but also with a sense of camaraderie and a renewed enthusiasm for what they hope to accomplish in the future. The same workshop groups met in the afternoon of the third day of the conference to discuss two National Film Board videotapes in the Challenge For Change series prepared by Laura Sky and Sylvia Roy. Of the two films, the first, dealing partly with discrimination against women workers in a factory, was more successful both in presentation and in content than the second, in which women on strike at a New Brunswick nursing home and at a psychiatric hospital in Newfoundland stated their cases.

The consensus of the discussion group was that the women in the second film were misguided in claiming that by virtue of their sex they were better than men at caring for the sick. The delegates' disapproval of the sexist attitudes of the women shown in the second film provides a positive indication that many women see themselves not as *women* workers, but simply as workers.

The organizers felt that the conference had been successful in alerting the delegates to the most immediate problems to be faced in the equal treatment of women workers. Judging from the number of delegates who were anxious to put forward resolutions at this conference, the April convention of the Canadian Labour Congress promises to be a very lively one indeed. lg

A conversation with David Croll

Lorna Mountford

For a septuagenarian, Senator David Croll has a pretty "hip" manner of describing his life's work. "Social welfare and social politics are my bag," he enthuses.

The silver-haired Senator has been involved in politics continuously since he was 19 — and that, as he sadily admits, is a *very* long time. "Politics have been my life for more than 50 years," Croll reveals. "My earliest inclination was to enter the political field."

Over the years, the former MP and one-time provincial cabinet minister has earned a reputation as a stolid "fighter" for social reform. In 1966, he was chairman of the Senate Committee on Aging, and later chaired the Senate Committee on Poverty. He is proud to acknowledge that the outcome of the Poverty Committee's work was to secure a guaranteed income supplement for the elderly.

The report on the Poverty Committee's work was widely read. Croll estimates more than 25,000 copies were eagerly perused and subsequently praised. "Reading the report," says Croll, "had an educational effect on young and old alike. It became required study in college social science courses. More important, the young became aware that there was a problem beyond *their* problem."

Now, at the age of 77, Senator Croll is immersed in yet another crusade. He is chairing a 15-member committee to examine existing retirement-age policies.

Committee members have given themselves a clear mandate:

- to scrutinize the social and economic implications of mandatory retirement based on age alone;

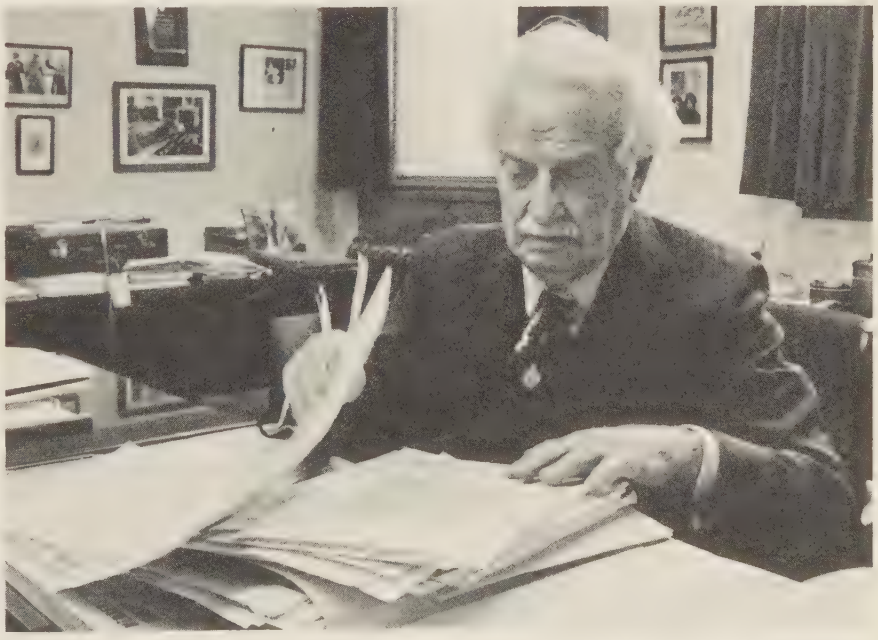
- to examine the feasibility of enabling workers to continue to contribute to society through flexible voluntary retirement plans to the extent of their ability and motivation;

- to protect people over 65 against age discrimination in employment;

- to look into the need for maximum co-operation from all levels of government, labour, business and the public to achieve those objectives.

Croll has described discrimination based on age as "the last great human rights issue to be tackled in Canada."

In the United States, Congress has given overwhelming support to a bill ending compulsory retirement in the federal public service and providing for more flexible retirement options in the private sector. To date, 12 American states have abolished mandatory retirement at age 65.



Croll...immersed in yet another crusade

Here in Canada, enormous interest has been shown in the American precedent. Both the Ontario and Manitoba Human Rights Commissions have recommended more flexible retirement policies. And in a recent report, the Canadian Council on Social Development advocated a fresh approach to the subject.

Senator Croll now believes it is inevitable that Canadians will follow the American lead. "They *must* follow one another, all things considered," he says. "For instance, there are many large American-owned organizations, motor companies, etc., with concerns here in Canada. So they will want to feel there is no conflict in interrelationships."

He argues that the failing Canadian economy *needs* the proven experience and production capability of older workers. "It is much better for the economy that these people continue to work. After all, about 10 per cent of the population is over 65. It would save a lot of money, both in service and personnel."

He continues: "Mental approach has nothing to do with age. Those people who are capable, able and willing to work...why not? Besides, to some of them, it is an economic necessity. "Of course, it is optional if they want to work. But they must be *allowed* that option."

The Senator's proposed work has prompted what has been called a "geriatric revolt." The over-sixties have rallied to support their "champion." "Their response has been overwhelming," smiles Croll. "I could not have believed there would be such a response. I've received letters left, right and centre! They say this should have been done years ago."

He sincerely hopes the committee's work will permit people to continue work after 65 if they so desire. "There is a human right for a person to work, so long as he is capable."

The Croll prognosis reveals much of his lifestyle. "Work is the best medicine you can give anyone," he says. And he is living proof of that philosophy.

"Age?" he muses. "Never thought about it. Although I must admit, I have slowed down a bit."

You would never think so. He is at his Senate office by 7.30 a.m. and works a rigorous 14-hour day; he divides his time between offices in Ottawa and Toronto and thrives on the kind of exhausting schedule that would leave many younger men gasping.

He is polite, affable and animated in conversation. He takes time to reminisce about his war service in England — "a truly civilized race, the British," he ponders.

Croll swears he never noticed the age of 65 looming toward him. "For that matter, I didn't notice 70 or 77! I have continued to do the same things and maintain the same interests; and I always look forward to every day. Work is part of my therapy."

The Senator, who claims to have been associated with every major social measure in Canada during the last 50 years, says it is "too late" for ambitions. But in his lifetime he would like to see even more advances in the social welfare system — for the benefit of young and old.

Born in Moscow, he was five when he arrived in Canada with his parents. His childhood memories of Russia are somewhat vague, but he confesses to "a tinge of feeling" when he visited his birthplace some years ago.

The young Croll's early ambition was to study law. He became a lawyer with a peripheral interest in politics. But before he was 20, he was actively involved in the Ontario Liberal Party. It is interesting to note that the elder Croll bears a striking resemblance to David Lloyd George, distinguished British Liberal Prime Minister of the 1920s.

Croll went on to serve at the municipal level as a mayor, and at the provincial level as a cabinet minister.

More than 50 years after he entered politics, he looks about him and sees what he describes as "an entirely new world." "We have become a rich and influential country, growing and improving all the time."

Brushing aside Canada's current economic gloom, Croll says: "I remember the depression after the First World War. "They thought the world was coming to an end," he laughs at the thought. "But if we have faith and continue to work along regardless, we will pull through..." lg

.abour legislation in Canada in 1977

'art 1C: Labour relations — emergency legislation

y S. Allan Nodwell

the latter part of 1977, four juris-ictions enacted emergency legis-tion. In British Columbia, the ssential Services Disputes Act as assented to on October 21. On ugust 9 the federal government ovided the Act for the Continua-on of Air Traffic Control Services, hile in Alberta the Temporary nti-Inflation Measures Amend-ent Act was enacted on ovember 10. Lastly, on November 9, Quebec amended the Act especting the Placing of the nternational" Union of Elevator onstructors, locals 89 and 100 nder Trusteeship and the Act especting the Placing of Certain abour Unions under Trusteeship.

ritish Columbia

ssential services

his Act applies to an employer of e following employees; members f a fire-fighters' union, health are union or policemen's union. he Act applies to the employers nd trade unions respecting the mployees.

art I. This part of the Act sets up e Essential Services Advisory gency, listing its constituency, uties and fact-finding roles.

art II. Where a firefighters' union, olicemen's union, or health care nion and an employer, or his uthorized representative, have argained collectively in good faith and fail to conclude a collective agreement or renewal or revision thereof, the trade union may elect, by giving a notice in writing to the employer and the minister, to resolve the dispute by arbitration.

The parties may mutually agree to a single arbitrator or an arbitration board with a chairman to hear the dispute and resolve it.

If, however, within 10 days after notice, the parties fail to agree to a single arbitrator or an arbitration board and the appointment of a chairman, then the minister may appoint an arbitrator or board to hear and resolve the dispute.

Under the legislation the terms and conditions settled by the single arbitrator or arbitration board are deemed to be a collective agreement between the parties, binding on them and the employees except where the parties concerned agree to vary any or all of them. Moreover, there may be no lockouts or strikes during the period from which the notice is given until the date a collective agreement terminates.

In arbitration under this Act, the arbitrators or board are to have regard to

(a) the public interest

(b) the terms and conditions of employment in similar occupations outside the employer's employment, including such geographic, industrial, or other variations as the single arbitrator or arbitration board considers relevant

(c) the need to maintain appropriate relations between different classification levels within an occupation and between different occupations

(d) the need to establish terms and conditions that are fair and reasonable in relation to the qualification required, work performed, responsibility assumed and nature of services rendered, and

(e) any other factor considered relevant to the matter in dispute.

The Arbitration Act does not apply to an arbitration under this Act.

Sections dealing with fees and costs, powers, summons to testify, majority decision, decisions of arbitration boards, filing of decisions and referrals to Labour Relations Boards under the Labour Code of British Columbia do, however, apply to an arbitration under this Act.

Where there is a failure by the arbitrator or board to deal with any matter in dispute or an error is apparent, another party may within 10 days make representation to amend, alter or vary the decision.

There is no appeal from a decision

or award of a single arbitrator or an arbitration board referred to in this Act.

Part III. Where bargaining parties fail to conclude a collective agreement or a renewal or revision of it, or a dispute between them is not resolved, and the Lieutenant-Governor in Council is of the opinion that, as a consequence, either (a) an immediate and serious danger to life, health, or safety exists, or (b) an immediate and substantial threat to the economy and welfare of the Province and its citizens exists or is likely to occur, he may, with respect to the employees covered or to be covered by the collective agreement, do one or more of the following:

(i) direct the Labour Relations Board to designate those facilities, productions and services that it considers necessary or essential to prevent (a) or (b) and order the employer and trade union to continue to supply, provide or maintain the same and not to limit or restrict them, or

(ii) prescribe a period not exceeding 90 days, commencing at the time provided in the order, during which,

- the employer must continue or resume normal operation and guarantee the employment of every employee required for normal operations,
- existing terms and conditions must be maintained except those mutually agreed upon,
- there must be no lockout,
- the employer must not transfer, lay off, demote, suspend or dismiss an employee without just and reasonable cause,
- every employee must continue, or on the call of the employer, resume the normal duties of his employment,
- there must be no striking or picketing,
- bargaining must resume in good faith with a reasonable effort to achieve an agreement.

(iii) appoint one or more special mediators to confer with the parties to assist them in settling a collective agreement, and where more than one is appointed, designate a chairman.

On the making of an order by the Lieutenant-Governor in Council all employees are notified that strikes are now illegal and the employer may not refuse an employee his right to work.

Failure or refusal by an employee to follow the order may be deemed just and reasonable cause for demotion, suspension, or dismissal.

Failure or refusal by the employer to comply with the order requires that he must, in addition to paying the wages that he is required to pay to his employees, pay a further amount equal to the wages of all the employees affected by his non-compliance for every day he, the employer, fails or refuses to comply. In the case of the employee, the employer is required to reduce his wages by an amount equal to "the wages of the employee for every day the employee fails or refuses to comply."

These amounts are then to be paid to a charitable organization that both qualifies as such under the Canadian Income Tax Act, and is agreeable to both parties (or failing agreement, designated by the Lieutenant-Governor in Council) for use exclusively within the province. Any matter concerning the above that causes a difference is to be referred for determination to the Labour Relations Board.

The Lieutenant-Governor in Council may extend the 90-day period by 14 days but may not make more than one order in respect of any dispute.

Where an order is made by the Lieutenant-Governor in Council the trade union may elect to conclude a collective agreement or a renewal or revision of it by arbitration.

The special mediator is granted all powers, protection and privileges of a commissioner under the Public Inquiries Act, and is required to report, at the request of the minister, on the progress of the mediation. Where the dispute is not resolved, he is obliged to report his recommendations to the minister by a date specified at the time of his appointment.

Part IV. The Labour Relations Board may file in a registry of the Supreme Court a copy of every order made which, once filed, is considered to have the same status as an order of the Supreme Court, except for the purpose of an appeal from it.

The Board may subsequently amend, substitute, replace or withdraw all or part of an order, but if it does so it must promptly file a copy of the revised or amended version with the Supreme Court.

Any question or difference between the parties may be referred to the Labour Relations Board and the Board may decide the question or difference and enforce the decision.

deral

traffic controllers

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air traffic control services, all
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be disciplined.

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cember 31, 1977.

y letters of understanding
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e rates of pay that are specified
the Act are applicable as soon
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n by the chairman of the
S.S.R.B. upon appointment of an
itrator.

e Anti-Inflation guidelines are
plicable to the Act.

Alberta

Temporary Anti-Inflation Measures Amendment Act

The Minister may, on behalf of the Government of Alberta and with the approval of the Lieutenant-Governor in Council enter into any agreement with the Government of Canada authorized by the federal Act.

Section 163 of The Alberta Labour Act, 1973, allows the Lieutenant-Governor in Council to order in emergency circumstances that a labour dispute be settled by procedures established by the Minister of Labour.

Quebec

Labour unions under trusteeship

The Act is amended respecting the placing of the "International Union of Elevator Constructors Locals 89 and 100," under trusteeship as well as in respect of certain other labour unions under trusteeship.

The powers of the board of trustees are established by law in regard to the employment office of each of the unions.

The Lieutenant-Governor in Council may place a group under the trusteeship of the board of trustees of a union, if that group is carrying on activities normally entrusted to that union.

The requesting, collection, or acceptance of money from members of a union under trusteeship without the authorization of the board of trustees of that union is forbidden. Any sum collected or accepted contrary to these provisions must be remitted to the board of trustees, and may render an offender liable to a fine or imprisonment.

The proceedings under the trusteeship acts are instituted by the Procureur général or a person designated by him for that purpose.

The Lieutenant-Governor in Council may terminate trusteeship in regard to any union, group or association.

The "Association unie des ouvriers en tuyauterie du Québec Inc." is placed under trusteeship.

The "Association sportive du local 144 inc." is also placed under trusteeship. lg

Back issues of *The Labour Gazette*

A recent inventory shows that we have on hand — free for the asking — a limited number of copies of the following issues of *The Labour Gazette*:

1976: October

1977: January, February, August, October, November.

Anyone wishing to receive any of the above may obtain them by writing to: Editor, *The Labour Gazette*, Canada Department of Labour, Ottawa K1A 0J2.

Books

Strike!

by **Walter Stewart;** indexed; McClelland & Stewart, Toronto, 1978; 224 pages; $10.00.

The drawback of most books about industrial relations is their dry, colourless writing style. The subject defies even the most gifted author to deal with it in a fresh and interesting way.

Walter Stewart has surmounted this challenge. *Strike!* is by far the most readable book about labour relations in Canada that has yet been written. Its mellifluous prose, sprinkled with anecdotes and recollections, flows into the mind so easily that most readers will gulp it down in a single sitting.

To achieve that kind of lucidity, however, Stewart has concentrated on the most visible and controversial aspects of labour-management affairs: strikes, picket line violence, inter-union rivalry, and union corruption. All the stuff of which headlines are made, but not always the most important elements, and certainly not the most prevalent.

Union corruption in Canada is so rare as to be statistically non-existent. Apart from the Hal Banks era of the Seafarers International Union and the goon-infested construction unions in Quebec, the Canadian labour movement is amazingly clean. Our union leaders may have other failings, but 99.9 per cent of them are honest.

Rivalry between unions is also negligible, and when it does occur is more an exercise in democracy than in conflict. If workers are to have the right to join the union of their choice, unions must also have the right to vie with one another for the fealty of such workers.

Picket line "incidents" are also uncommon, occurring only when strikers are provoked beyond endurance by strikebreakers.

It's true that Canada has been one of the world's most strike-prone nations, but, as Stewart concedes, bad management and inept government are more to blame for our poor strike record than the unions are. And besides, the number of man-days lost through work stoppages has dropped sharply in the past year.

Being as sensitive as they are to criticism, union leaders have reacted indignantly to these fault-finding themes in Stewart's book, without taking much notice of those chapters that are more favourable to labour.

Stewart, after all, had previously authored books that excoriated government and business much more harshly than he has knocked the unions. In *Strike!* he makes it clear at the outset that he has given up on management, and, after listing several managerial sins, says "to hell with them." He also raps governments for their bad labour relations policies and even worse labour legislation.

The unions, however, are in his view susceptible to improvement, so he criticizes them constructively in an effort to encourage reforms he feels are needed.

"Despite the impression I may give occasionally," he writes, "my sympathy is with the unions in all of their travails."

To which some union leaders have retorted, "With friends like Stewart, who needs enemies?"

That's an understandable reaction, since labour's enemies have been able to quote paragraphs of *Strike!* out of context to support their attacks on unions. This is because Stewart has an unfortunate tendency to generalize from isolated incidents, citing a picket-line scuffle, for example, or quoting a super-militant like Joe Davidson as if such incidents or quotes were representative.

The central flaw of *Strike!* is Stewart's apparent assumption that the labour movement is somehow capable of changing itself for the better, regardless of what employers or governments do. The fact is that to a great extent the unions are locked into an economic and industrial relations system that is determined almost entirely by management practices and government legislation. The unions have the least manoeuvrability of the three. Employers can unilaterally change their policies and methods, and governments can unilaterally amend their laws. But unions have to live within and adapt to whatever system employers and governments create.

Stewart fails to grasp this elementary fact. He deplores the high incidence of strikes and labour's adherence to the adversary system without seeming to realize that these are the by-

ducts of the capitalist system. ons can't change that system their own. In fact, they can't n take the initiative.

ey tried it after the 1976 nadian Labour Congress ivention, when they adopted a posal for tripartite economic nning to replace the adversary tem. But that idea got shot vn by every businessman, poli- an and editorial writer in the untry. Even Stewart himself, er devoting most of his book to loring industrial conflict, blasts CLC's tripartite policy, calling litist and undemocratic. He ed to see that it was an attempt the unions to follow precisely kind of rational and construc- course he was urging them to ow.

Despite these shortcomings, however, *Strike!* is by far the best popularization of the Canadian labour relations scene that has yet been put into print. It's engrossing, provocative, spiced with humour and packed with a lot of historical information.

Of course, it offers no answers, easy or otherwise. But that was not its intent. Stewart obviously hoped that *Strike!*, in addition to making him a little money, would stimulate the kind of reappraisal of our troubled labour relations system — by unions, companies and governments — that must necessarily precede any effort to improve it.

In that modest objective, at least, he has succeeded.

— Ed Finn

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ut of the Sweatshop

ted by **Leon Stein**. Fitzhenry d Whiteside, Don Mills, Ont. 77. 367pp.

several respects the Interna- nal Ladies' Garment Workers' ion is one of North America's st interesting unions. *Out of Sweatshop* is the story of that anization. It traces development m the earliest battles for rvival to today's international de problems.

e ILGWU's search for some form industrial democracy is a conti- ous thread running through the ok, and is of particular interest the light of today's intensified scussion of labour-management ations.

is is a collection of some 170 ort articles written between the 00s and 1975. The contributors ver a remarkable range: Theodore Dreiser, Eleanor Roosevelt, Samuel Gompers, Lyndon Johnson, Helen Keller, Thurgood Marshall, John F. Kennedy, Walter Lipmann, Franklin D. Roosevelt and a host of others.

Stein is well-equipped as editor. A member of the ILGWU since 1928, he edited the union's publication *Justice* from 1952 to 1976 and has written several books on the labour movement in the United States.

Considerable space is devoted to stark accounts of the terrible working conditions which once prevailed in the garment industries. Factories were dark, dismal and unsanitary; workers were subject to iron-clad discipline and tremendous pressures; hours were long, often 12 a day or more. And then work often had to be taken home to be completed. The system of farming out work to be done in homes was the American version of the British cottage industries.

Immigrants were the most frequent victims of these conditions. They had escaped the political oppressions of Europe only to become ensnared in the industrial oppressions of the United States.

Eventually there were revolts. The first attempt to organize a true trade union for New York City cloakmakers resulted in the lockout of 10,000 persons in 1889. The struggle which followed was long and bitter, marked by several notable strikes, all of which are examined in this book.

Then, in 1910, came the Protocol of Peace, a union-management formula establishing boards to handle grievances and providing for arbitration. The Protocol was heralded as the means for ensuring industrial peace. Its terms were of considerable scope, and for the first time labour-union discussions went beyond the fundamental issues of wages and hours. The Protocol was regarded as introducing a form of industrial democracy as a substitute for strikes and lockouts.

But hopes had run too high. The grievance procedures quickly became clogged with a heavy backlog of complaints. Within the union there were growing political differences as to whether the system could be reformed, or whether it was beyond reform and revolution was required. There were those who argued that the right to strike should not be sacrificed, and these basic differences were to become increasingly apparent in the subsequent struggles for union leadership.

After five years it became apparent that the Protocol was no magic solution. Again there were lockouts and strikes. The situation was

complicated by the industry's postwar difficulties. Within the union, the Communist faction fought hard to gain control. But by 1938 the reformists were again firmly in charge and the task of rebuilding the union began. All these events are described in the words of the time.

One of the characteristics of the ILGWU has been its pioneering role and leadership in attaining broader union objectives. The creation of a Joint Board of Sanitary Control was included in the provisions of the Protocol. The board, which included public representation, was intended to improve the working environment. Some of the first surveys of workers' health were conducted under its auspices. This interest led eventually to the establishment of health centres and provision for benefits in case of sickness and retirement. Labour education was another field in which this union broke new ground.

As Stein emphasizes, this is a continuing story. In the introduction he describes the sweatshop as a state of mind as well as a physical fact, a condition in which the employers have complete control. In the conclusion he deals with present difficulties arising from competition from low-wage countries, and he further comments: "The union remains unfinished. New frontiers are waiting to be explored — shops to be organized, rates to be lifted, working conditions to be improved."

In many ways, this is the story of all unions.

— Jack Williams

Research Notes

Absenteeism

"Absenteeism and Overtime: Double Jeopardy," by A. Mikalachki and D.C. Chapple. *Relations Industrielles*, Vol. 32, No. 4.

This study investigates factors leading to absenteeism in a large auto plant employing about 1,000 workers. The hypotheses examined deal with the effect on absenteeism of the skill required for the job, the worker's age and health, and the base pay rate. In particular it was expected that skill, age, the worker's health and economic rewards would all be inversely related to absenteeism. The initial analysis failed to support any of these hypotheses, however. Consequently an additional factor was examined, namely the ability of the worker to control the amount of overtime that he worked. The data then showed that the worker who is able to achieve a set income for the fewest days in attendance by working overtime uses this device to spend less time on the job. Adjusting for the effect of overtime, the other hypotheses were also supported.

Controls

"The Response of Wages to the Removal of Controls: The American Experience," by Frank Reid. *Relations Industrielles*, Vol. 32, No. 4.

In assessing any controls policy, it is crucial to examine the behaviour of wages and prices when controls are removed in order to determine if any restraining effect of controls is partially or totally offset by an "explosion" when controls are lifted. An "explosion" of wages is defined to be an increase in the rate of wage change above what would have occurred if controls had not been implemented.

An analysis of experience in the United States during the period of the "guideposts" (1962-1966) and during the four phases of controls from 1971 to 1974 shows substantial variation in the effect of controls. In two of the periods there was no measurable effect, even while the controls were in force; in two other periods, the effects while the controls were in force were offset by an explosion when controls were removed; and in the fifth case, controls were effective while in force and there was no evidence of an explosion when they were removed. The model outlined and tested by the author predicts that an explosion of wages, but not prices, will occu if the effect of controls is to reduce real wages, i.e., if controls are more effective in restraining wage increases than price increases.

Employee benefits

"Prepaid Legal Services: An Emerging Fringe Benefit," by Guvenc G. Alpander and Jordan I. Kobritz. *Industrial and Labor Relations Review*, January 1978.

This article describes the recent emergence in the United States of

epaid group plans as a means of oviding workers and others with cess to affordable legal aid. The idy investigates by question- re the extent to which such ns are — or might be — used a form of employee benefit. sponses were solicited from 350 ge corporations and 100 national ions. Although relatively few ns have been adopted to date, e authors predict that there will on be an increase in the number legal service plans established ough collective bargaining.

nimum wages

Survey of Recent Canadian nimum Wage Research, by Colin kroyd. B.C. Ministry of Labour, 77.

is study reviews recent Cana- an research on minimum wages, corporating material drawn from blished studies as well as from ernal government papers aling with policy and adminis- tive problems. The research aterial is presented in the form a discussion of nine critical licy questions which are con- stently raised regarding nimum wages.

nsiderable reference is made to e results of impact studies nducted in six jurisdictions ring the 1965-1975 period. The thor notes, however, that it is t always possible to draw more an tentative or neutral conclu- ons regarding the magnitude of nimum wage effects. In part, is derives from the difficulty of olating "pure" minimum wage fects from a host of other forces nich may be simultaneously ting on the economy. Further- ore, impact studies have nerally been undertaken during riods of rising economic activity. some cases, this has resulted in underestimation of negative effects which might have been more apparent had minimum wages been regularly adjusted at a less expansionary stage of the business cycle.

Personnel policies

"Who Makes Personnel Decisions?," by David E. Dimick. *The Canadian Personnel and Industrial Relations Journal*, January 1978.

The question of who makes personnel decisions was investigated as part of a detailed survey of the management of human resources in 20 companies. Through questionnaires and structured interviews with both those in the personnel function and line managers, personnel decisions in 13 key areas were examined.

The data reveal that in only four of the 13 areas of decisions about individual employees investigated did personnel specialists have an average influence equal to or greater than that of managers outside the personnel function. These specialist-dominated areas were fairly technical in nature — benefit administration, provision of various personnel services, and running the cost control aspects of compensation and job evaluation. The areas which shape the more obvious aspects of an employee's work experience, such as control, discipline, promotion, transfer, and performance appraisal, were much more under the influence of generalists. The pattern indicates a clear differentiation in the role of personnel specialists from others involved in managing human resources. The specialist's role with regard to individual employees is technical or advisory in many decision areas.

"Le développement des ressources humaines, fonction négligée par l'entreprise," by Viateur Larouche. *Relations Industrielles*, Vol. 32, No. 4.

Few organizations in Canada offer training activities and, among those that do, training is mainly perceived as a means to adapt employees to technical activities and to the organizational context.

Statistics for 1970 show that training in industry is focused on security and professional orientation (33.5%), crafts (22.6%) and management (16.6%). Only 7.1% of the employees who underwent training were involved in general-type training courses centered on improvement in knowledge. The content and the fairly short length of training programs demonstrate that training in industry is seldom based on the concept of personal development. It does not allow people to develop *by* work but rather *for* work, and moreover for work specific to the business. The author concludes that there is a need for more training in industry and, in particular, for training that would enable employees to develop their abilities to the full.

Wages and earnings

Wage Determination in Major Collective Agreements in the Private and Public Sectors, by Jean-Michel Cousineau and Robert Lacroix. Economic Council of Canada, 1977.

Issues examined in this study are how wages in the private and public sectors react to inflation and labour market conditions; the impact of wage decisions on inflation, employment and the ability of the private sector to compete internationally; and the effect of strikes on wage increases. The research is based

on an analysis of major collective agreements over the period 1967 to 1975.

The authors show that there is an important difference in the factors determining wage increases in the private and public sectors. In the private sector, labour market conditions play an important role in determining wage increases. In the public sector, by contrast, wages are more responsive to inflation and less responsive to labour market conditions. As a result, the public sector can have major disturbing effects on the economy.

The study finds that strike activity has added an average additional wage increase of one-half of one percentage point. However, if the transportation, communications and public utilities sector is excluded from the sample, neither the incidence nor the duration of strikes has any significant effect on the rate of wage increase.

●

"Public and Private Sector Manual Workers' Pay, 1970-1977," by A.J.H. Dean. *National Institute Economic Review*, November 1977.

This article examines movements in the pay of manual workers in the public and private sectors of British industry since 1970. It finds that, in recent years, public sector workers have improved their relative pay by about 10 per cent.

A previous article had suggested that public sector earnings tend to rise by more than private sector earnings during the downswing of the business cycle and to rise by less during the upswing. The recent data show that public sector pay rose during the two recession years of 1974 and 1975 but not in 1976, when there was a slight recovery in the economy. The latter experience, however, may have had more to do with a slightly more stringent application of controls in the public sector than in the private sector.

●

"The Effect of Unions on the Earnings of Non-union Workers," by Lawrence M. Kahn. *Industrial and Labor Relations Review*, January 1978.

It has long been recognized that unions, in addition to directly affecting their members' wages, can indirectly affect the wages of non-union workers. If union wage gains lead to cutbacks in the relative quantity of union labour demanded, for example, then the resulting increased supply to non-union firms may lower wages there (the "crowding effect"). On the other hand, via "threat effects" unions may cause employers of non-union workers to raise wages.

This study examines the indirect impact of unions on the real annual wages of non-union workers, using data from the 1967 U.S. Survey of Economic Opportunity. It compares wages of workers in San Francisco and Los Angeles — which differ significantly in their labour history and extent of union organization — within relatively unorganized industries and occupations and within an occupation that is highly organized in one of those cities but not in the other. The data suggest that the net indirect union effect across industries and occupations is to lower the earnings of non-union workers.

The foregoing was prepared by **Laurence A. Kelly**, *an independent industrial relations writer and researcher in Kingston, Ontario.*

Additions to the Library

The publications listed below are recent acquisitions. They may be borrowed through a local library (business, university, public, etc.) or directly — if there is no local library — by writing to The Chief Librarian, Labour Canada, Ottawa, Ontario K1A 0J2, indicating author, title and publisher.

Affirmative Action

Canada. Department of Labour. *Affirmative action, a selected bibliography. Action positive, une bibliographie choisie.* Ottawa, 1977. 15p.

Collective Agreements

Québec (Province). Ministère de la Fonction publique. Direction générale des relations de travail. *Conditions de travail des avocats et notaires.* Québec, Éditeur officiel du Québec, 1977. 129p.

Québec (Province). Ministère de la Fonction publique. Direction générale des relations de travail. *Convention collective de travail, 1976-1979 entre le Gouvernement du Québec et le Syndicat professionnel des médecins du gouvernement du Québec.* Québec, Éditeur officiel du Québec, 1977. 146p.

llective Bargaining

son, Keith. *Negotiation in prac-e; role-playing for managers and op stewards.* London, Institute Personnel Management, 1977. 3p.

rporations, International

rgan, Alun. *The industrial rela-ns and employment impacts of ultinational enterprises;* an quiry into the issues, by Alun rgan and Roger Blanpain. Paris, ganization for Economic Co-eration and Development, 1977. p.

ousewives

ntario Status of Women Council. *bout face: towards a positive nage of housewives.* Written by nny Kome. Researched by arianne Pringle. Toronto, 1977.)p.

dustrial Democracy

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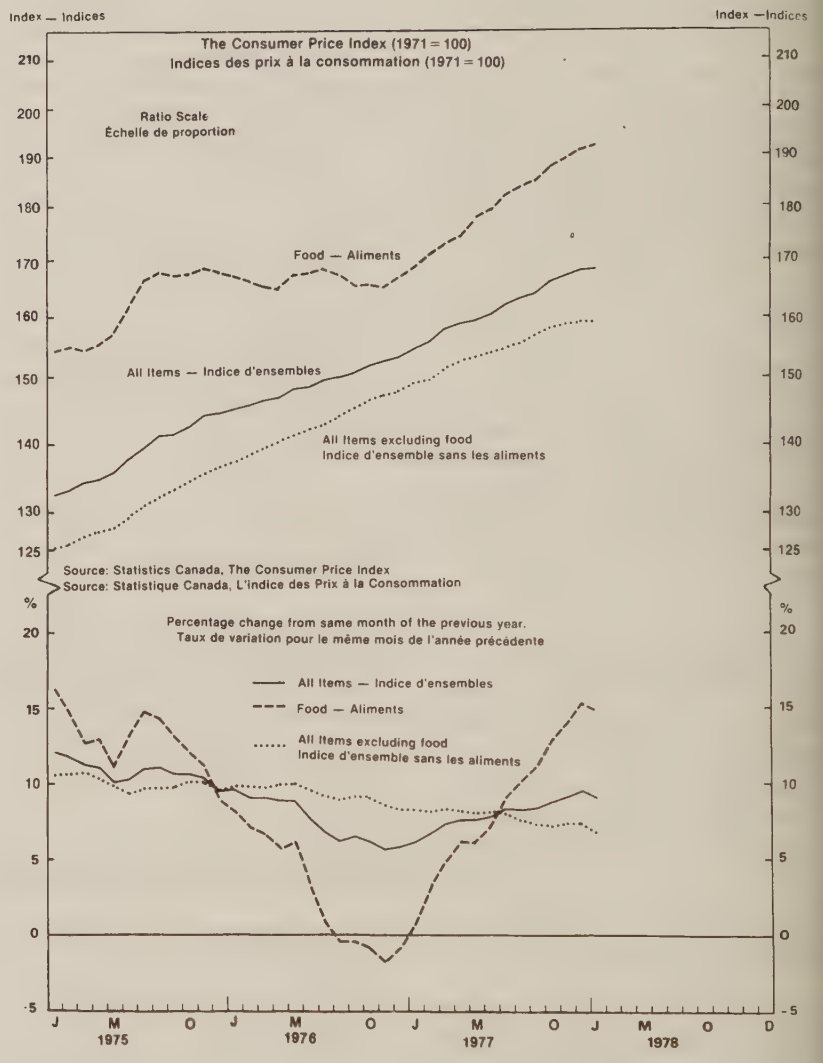
PRICES, EMPLOYMENT, AND EARNINGS

THE CONSUMER PRICE INDEX — JANUARY 1978

The Consumer Price Index (1971 = 100) increased 0.4 per cent to 167.8 in January from 167.2 in December. On a year-over-year basis the increase was 9.0 per cent compared with 9.5 per cent in the previous month.

Food prices were again responsible for most of the increase. The food index, with a relative importance of 27 per cent, contributed 60 per cent to the latest advance as a result of the 0.8 per cent rise from December 1977. The rise was mainly attributable to higher prices for beef, pork and some other meats. Other notable price increases were registered for fish, processed fruit and vegetables, and soft drinks. Lower prices for poultry and for some fresh fruit and vegetables partially dampened the impact of these increases.

Since the beginning of 1977, year-over-year changes in the food index have been advancing steadily. Up to June 1977, the twelve-month increases were still below the overall average advances; increases in the non-food index exceeded the average. In the second half of the year, the food index rose further, largely exceeding the overall increases, and contributing much more than its relative importance to the increases in the all-items index. At the same time, the non-food index moderated. In January 1978, both the food index and the non-food index declined on a year-over-year basis. The decline in the non-food


Index — Indices
Index — Indices
The Consumer Price Index (1971 = 100)
Indices des prix à la consommation (1971 = 100)
Ratio Scale
Échelle de proportion
Food — Aliments
All Items — Indice d'ensembles
All Items excluding food
Indice d'ensemble sans les aliments
Source: Statistics Canada, The Consumer Price Index
Source: Statistique Canada, L'indice des Prix à la Consommation
%
Percentage change from same month of the previous year.
Taux de variation pour le même mois de l'année précédente
All Items — Indice d'ensembles
Food — Aliments
All Items excluding food
Indice d'ensemble sans les aliments
J M O J M O J M O J M O D
1975
1976
1977
1978

index was more dramatic — from 7.4 per cent to 6.8 per cent, and with its greater weight, brought about the significant decline in the overall index; the food index dropped from 15.4 per cent to 14.9 per cent.

The non-food items, as a whole, rose by a moderate 0.2 per cent between December and January — the lowest monthly increase since the revision of the CPI base in May 1973. A decline of 1.0 per cent in the clothing index, the main moderating factor, was greater than usual for this time of the year. This was due to lower prices for both men's and women's outerwear and for footwear. The upward

ssure on the index for all-items luding food came mainly from housing component as house- d operation costs moved up 0.8 cent as a result of higher ctricity charges in many Ontario Quebec urban centres. Other able factors included higher es for imported automobiles seasonally higher train fares.

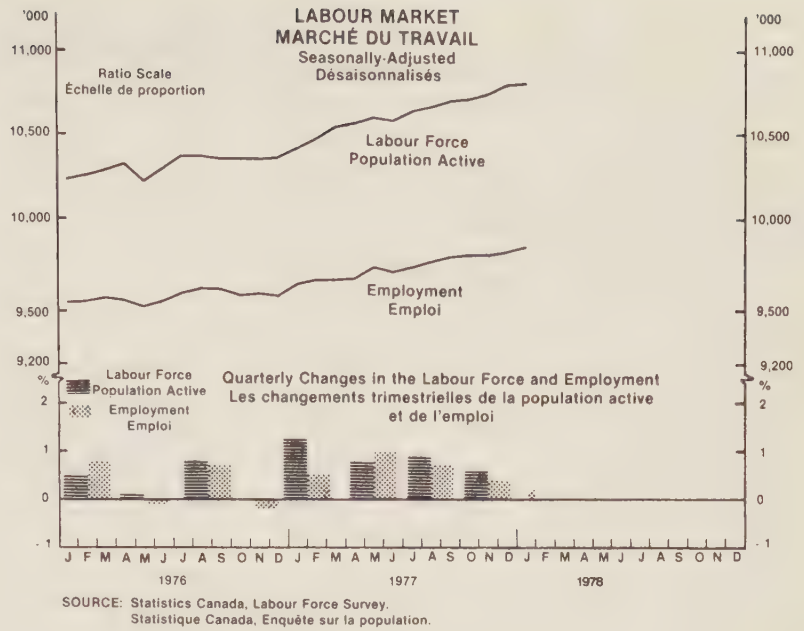
sonally adjusted data reflected ore modest increase in the ex for all-items excluding food. nsequently, the current annual e of change of the all-items ex, based on seasonally usted movements in the latest ee months, was down signifi- tly to 7.7 per cent compared n 11.2 per cent for the previous ee-month period. The current ual rate of change in the food ex was 16.8 per cent; in trast, the non-food index ved up 4.1 per cent. In compa- n, similar increases in cember 1977 were 21.9 per cent food and 7.4 per cent for non- d.

E LABOUR MARKET — NUARY 1978

asonally adjusted data — nges from December 1977

e unemployment rate decreased January for the first time since y 1977 — it was 8.3 per cent mpared with 8.5 per cent in cember. The decline occurred employment grew faster than labour force, the participation e decreasing marginally to 61.6 cent.

trong increase in the employ- nt of women (26,000 or 0.7) was ponsible for the rise in employ- nt (24,000 or 0.2 per cent). In trast, there was a small decline men. Adult women, those 25 ars and over, increased 11,000 per cent) and young women,



SOURCE: Statistics Canada, Labour Force Survey.
Statistique Canada, Enquête sur la population.

15-24 years increased 15,000 (1.4 per cent). The decrease among males was due to a loss of 4,000 jobs for young men. Employment for women has been increasing along with the growth of the service sector; in January, the strength in women's employment was evident in the goods-producing sector as well.

The participation rate for adult females, (42.7) and young people (62.8) was unchanged and employment increased faster than the labour force for both groups. As a result the unemployment rate declined 0.3 points in each case to 7.5 for adult females and 14.9 for youths. The participation rate for adult males declined 0.4 points to 80.7, and marginal changes in employment and the labour force resulted in no change in the unemployment rate at 5.0.

The employment ratio is the percentage of the working age population employed at a particular time and is another labour market indicator to compare with the unemployment rate and the participation rate. The employment ratio has an inverse relationship with the unemployment rate and should have a direct relationship with the participation rate. An increase in the employment ratio should effect a decrease in the unemployment rate. In 1971 the employment ratio was 54.5, the unemployment rate 6.2 and participation rate 58.1. In 1974 the employment ratio increased to 57.3 as the participation rate rose to 60.5 and the unemployment rate declined to 5.3. In 1977, the participation increased further to 61.5 but the employment ratio decreased to 56.5, which in effect reflected the increase in the unemployment rate to 8.1 per cent.

In January, the total employment ratio was 56.5 (the same as in December); the ratio for adult males declined 0.2 points to 76.8, remained unchanged for adult females at 39.4 and increased 0.2 points to 53.4 for youths.

Employment increased in all regions except Quebec which decreased 13,000 or 0.5 per cent. Relatively, the increase in the Atlantic region was substantial, 9,000 or 1.2 per cent.

The unemployment rate decreased in three regions — in the Atlantic

region, (12.5), Ontario (6.9), and the Prairies (5.0). It increased in Quebec (11.4) and in British Columbia (8.7).

Employment in the goods-producing sector increased 11,000 (0.3 per cent) after declining in December. In manufacturing, it remained on its recent recovery trend, recording its third successive monthly increase. The increase in the latest three months was 32,000 (or 1.7 per cent). Construction increased in January (6,000 or 0.9 per cent), after the substantial drop in December. In the service sector, employment continued to grow slowly. It increased in utilities (5,000), finance (7,000) and community services (10,000), but declined in public administration (8,000).

Unadjusted data

The actual number of unemployed rose to 991,000 in January 1978, an increase of 102,000 from January 1977. The increase in the labour force was 325,000 (3.2 per cent) to 10,469,000 and in employment 223,000 (2.4 per cent) to 9,478,000. The unemployment rate was 9.5 in January 1978 compared with 8.3 in December 1977 and 8.8 in January 1977.

The average duration of unemployment increased to 13.4 weeks in January compared with 13.1 weeks a year earlier. The number of those unemployed for 14 weeks and longer was higher, while those unemployed for less than 13 weeks declined.

EARNINGS AND INCOME — NOVEMBER 1977

Average weekly earnings for the industrial composite (seasonally adjusted) remained virtually unchanged between October and November. There were decreases in the forestry, construction and service industries while the other industry divisions reported gains. Regionally, earnings increased in the Atlantic provinces and Ontario, while in other regions they declined.

In manufacturing, the seasonally adjusted weekly earnings increased 0.6 per cent to $273.36 in November. Average hourly earnings for the hourly-rated wage earners increased 6 cents to $6.59 and average weekly hours declined to 38.5 from 38.7 in October.

On an unadjusted basis, average weekly earnings for the industrial composite advanced 8.3 per cent to $256.17 in November from $236.59 a year ago. In real terms, this amounted to a decrease of 1.1 per cent. In the industries, the highest paid workers in November 1977, were in construction with average weekly earnings of $379.42 (year-over-year increase of 8.1 per cent), mining $363.86 (8.9 per cent), utilities $297.04 (8.7 per cent), manufacturing $274.97 (9.1 per cent), finance, insurance and real estate $234.55 (8.6 per cent), trade $194.15 (8.0 per cent). The lowest paid workers were in service $172.52, increasing at the slowest rate (5.3 per cent). By regions, average weekly earnings were British Columbia $290.28 (7.8 per cent), Ontario $256.28 (8.5 per cent), Quebec $252.20 (8.7 per cent), the Prairies $251.11 (7.5 per cent), and the Atlantic region $224.59 (6.9 per cent).

Total labour income was estimated at $10.2 billion for November, an increase of $866 million or 9.2 per cent from November 1976. Seasonally adjusted wages and salaries increased by almost $61 million (9.0 per cent) between October and November to $9.4 billion.

JOB VACANCIES — FOURTH QUARTER 1977

Preliminary estimates show that there were 36,700 vacant jobs in the fourth quarter of 1977, a decrease of 30.4 per cent from 52,700 in the third quarter and a decrease of 8.9 per cent from the fourth quarter of 1976. Vacancies for full-time jobs decreased by 30.1 per cent to 31,800 from the preceding quarter. Longer-term vacancies — those unfilled for more than four weeks — declined 20.4 per cent to 12,500.

For every thousand existing jobs in the latest quarter, four were vacant, a decrease of two from the third quarter. The comparable rate a year ago was five. The highest vacancy rates were observed in Alberta (7 per 1,000) followed by Ontario (5 per 1,000). The lowest rate (2 per 1,000) occurred in Newfoundland and Nova Scotia.

WAGE SETTLEMENTS — FOURTH QUARTER 1977

There were 123 major collective agreements settled in the fourth quarter of 1977. These provided for an average annual increase of 7.0 per cent in the base rates, compared with 7.4 per cent in the third quarter and 7.9 per cent in the fourth quarter of 1976. The 7.0 per cent increase was the lowest quarterly increase since the fourth quarter of 1972.

The annual average for 1977 was 7.7 per cent for all industries, 6.9 per cent for manufacturing and 7.5 per cent for commercial industries.

abour statistics

BOUR MARKET

	Unadjusted			Seasonally Adjusted				
	Jan. 1977	Jan. 1978	% change[1]	Nov. 1977	Dec. 1977	Jan. 1978	% change[2] Dec.	Jan.
AL	(numbers in thousands)							
ur Force	10,144	10,469	3.2	10,735	10,753	10,757	0.2	0.0
loyment	9,255	9,478	2.4	9,832	9,842	9,866	0.1	0.2
nployment	889	991	1.2	903	911	891	0.9	- 2.2
nployment Rate (%)	8.8	9.5	—	8.4	8.5	8.3	—	—
cipation Rate (%)	59.4	60.0	—	61.7	61.7	61.6	—	—
oth Sexes: 15-24	58.9	58.3	—	63.3	62.8	62.8	—	—
Men:	75.5	75.2	—	77.8	77.8	77.4	—	—
– 25 and over	79.7	79.8	—	81.0	81.1	80.9	—	—
Women:	43.8	45.3	—	46.2	46.3	46.4	—	—
– 25 and over	40.5	42.4	—	42.4	42.7	42.7	—	—
LOYMENT	9,255	9,478	2.4	9,832	9,842	9,866	0.1	0.2
oth Sexes: 15-24	2,241	2,211	- 1.3	2,441	2,422	2,433	- 0.8	0.5
Men:	5,820	5,868	0.8	6,145	6,146	6,144	0.0	- 0.0
– 25 and over	4,609	4,697	1.9	4,816	4,821	4,823	0.1	0.0
Women:	3,436	3,610	5.0	3,687	3,696	3,722	0.2	0.7
– 25 and over	2,405	2,571	6.9	2,575	2,599	2,610	0.9	0.4
Workers	8,358	8,513	1.9	8,825	8,814	8,831	- 0.1	0.2
on-Agriculture	8,243	8,413	2.1	8,687	8,687	8,704	0.0	0.2
dustries								
griculture	413	400	- 3.1	472	458	456	- 3.0	- 0.4
anufacturing	1,883	1,847	- 1.9	1,893	1,920	1,922	1.4	0.1
onstruction	540	536	- 0.7	659	634	640	- 3.8	0.9
ade	1,636	1,677	2.5	1,704	1,706	1,706	0.1	0.0
ervices	2,590	2,749	6.1	2,773	2,785	2,795	0.4	0.4
egions								
tlantic	667	697	4.5	740	739	748	- 0.1	1.2
uebec	2,398	2,399	0.0	2,517	2,516	2,503	- 0.0	- 0.5
ntario	3,595	3,698	2.9	3,801	3,803	3,817	0.1	0.4
rairies	1,592	1,644	3.3	1,705	1,709	1,715	0.2	0.4
ritish Columbia	1,004	1,042	3.8	1,070	1,074	1,079	0.4	0.5
EMPLOYMENT RATE (%)	8.8	9.5	—	8.4	8.5	8.3	—	—
oth Sexes: 15-24	15.2	16.7	—	15.2	15.2	14.9	—	—
Men:	8.3	9.1	—	7.6	7.7	7.5	—	—
– 25 and over	5.7	6.2	—	4.8	5.0	5.0	—	—
Women:	9.6	10.1	—	9.8	9.7	9.5	—	—
– 25 and over	7.9	8.3	—	7.9	7.8	7.5	—	—
egions								
tlantic	13.6	13.9	—	13.3	13.1	12.5	—	—
uebec	10.3	12.4	—	11.1	11.3	11.4	—	—
ntario	7.7	7.9	—	6.9	7.0	6.9	—	—
rairies	5.9	6.3	—	5.0	5.1	5.0	—	—
ritish Columbia	10.0	9.9	—	8.5	8.6	8.7	—	—

NSUMER PRICE INDEX

	Unadjusted						Seasonally Adjusted		
	1977		1978	% Change From Previous Year			Current Annual Rate of Change		
	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.
Items (1971 = 100)	166.1	167.2	167.8	9.1	9.5	9.0	11.3	11.2	7.7
od "	188.4	191.5	193.0	13.9	15.4	14.9	17.6	21.9	16.8
al Ex-Food "	158.3	158.8	159.1	7.4	7.4	6.8	9.4	7.4	4.1

EARNINGS AND INCOME

	Unadjusted			Seasonally Adjusted				
	Nov. 1976	Nov. 1977[p]	% change[1]	Sept. 1977[p]	Oct. 1977[p]	Nov. 1977[p]	% change[2] Oct.	Nov.
AVERAGE WEEKLY EARNINGS ($)								
Industrial Composite ($ Current)	236.59	256.17	8.3	254.89	255.87	255.99	0.4	0.0
Real ($ 1971)	154.94	153.21	- 1.1	154.48	154.05	151.38	- 0.3	- 1.7
By Regions:								
Atlantic	210.02	224.59	6.9	225.05	225.00	225.74	- 0.0	0.3
Quebec	232.03	252.20	8.7	250.58	251.96	251.55	0.6	- 0.2
Ontario	236.14	256.28	8.5	254.59	254.93	256.05	0.1	0.4
Prairies	233.52	251.11	7.5	250.61	253.04	251.66	1.0	- 0.6
British Columbia	269.26	290.28	7.8	286.20	289.53	287.83	1.2	- 0.6
Manufacturing:								
Average Weekly Earnings ($)	252.00	274.97	9.1	271.87	271.61	273.36	- 0.1	0.6
Average Hourly Earnings ($)	5.98	6.58	10.0	6.55	6.53	6.59	- 0.3	0.9
Average Weekly Hours	39.1	38.9	- 0.5	38.6	38.7	38.5	0.3	- 0.5
Total Labour Income ($ Million)	9,360.1	10,225.7	9.2	10,030.8	10,072.3	10,136.9	0.7	0.6
Wages and Salaries - Total	8,669.3	9,451.7	9.0	9,270.2	9,308.0	9,368.8	0.4	0.7
— Manufacturing	1,953.2	2,128.7	9.0	2,085.8	2,090.0	2,116.5	0.2	1.3

MAJOR COLLECTIVE BARGAINING SETTLEMENTS

	Annual		Quarterly							
			1976				1977			
	1976	1977	I	II	III	IV	I	II	III	IV
	(annual compound rates of change)									
All Industries	10.2	7.7	14.1	10.8	9.4	7.9	8.4	7.9	7.4	7.0
Commercial	9.6	7.5	12.4	10.3	8.9	7.2	7.8	7.3	7.4	7.9
Manufacturing	8.8	6.9	11.7	9.7	9.3	5.9	6.7	6.3	7.3	7.3

JOB VACANCIES

	Unadjusted						Seasonally Adjusted		
	1976		1977				1977		
	III	IV	I	II	III	IV	I	II	III
	(numbers in thousands)								
All categories	62.3	40.3	39.7	49.7	52.7	36.7	46.8	47.8	42.9
Full-time jobs	54.7	35.8	35.3	43.2	45.5	31.8	41.0	41.5	37.4
Long-term vacancies	20.3	13.9	12.4	13.2	15.7	12.5	13.7	14.4	12.5

STRIKES AND LOCKOUTS

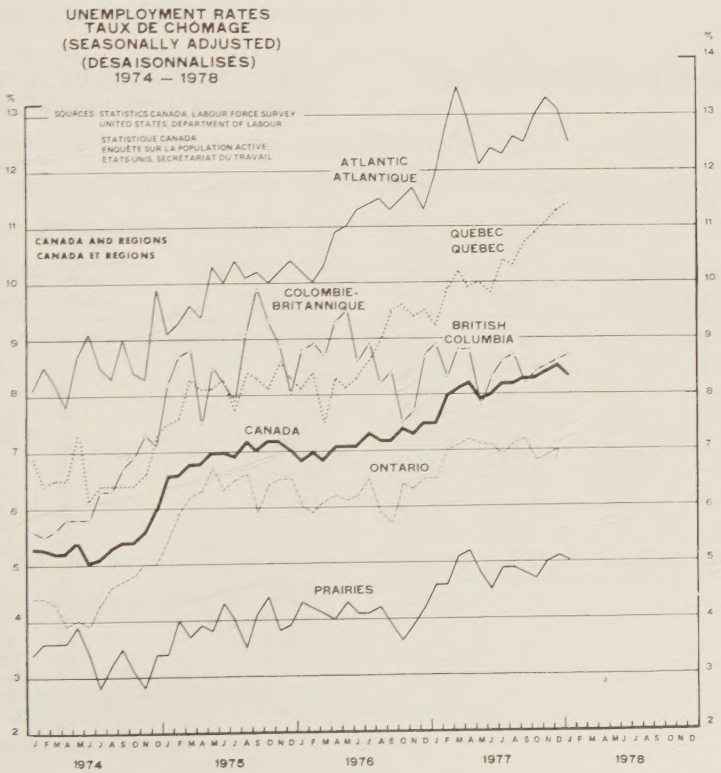
	1976			1977					
	II	III	IV	I	II	III	IV	Nov.	Dec.
Strikes and Lockouts	209	203	143	118	153	156	114	115	10
No. of Workers Involved	231,695	112,173	342,621	24,004	36,837	35,319	26,546	33,084	25,43
Man-days Lost — Total	864,817	1,466,900	927,813	203,510	314,633	340,773	281,370	271,850	368,56
— Manufacturing	296,383	501,157	278,540	110,100	207,630	189,653	131,787	141,890	99,13
Man-days Lost as a % of Estimated Working Time	0.48	0.79	0.50	0.11	0.17	0.18	0.15	0.14	0.2
— Manufacturing	0.74	1.18	0.67	0.28	0.52	0.46	0.34	0.34	0.2

[1]Per cent change from previous year.
[2]Per cent change from previous month.

Source: Statistics Canada, The Labour Force, Cat. No. 71-001.

NIMUM WAGE RATES — PER HOUR

diction	Effective Date	Experienced Adults	Youths and Students
ral	April 1, 1976	$2.90	under 17: $2.65
rta	March 1, 1977	$3.00	under 18: $2.85 Part-time students under 18: $2.50
sh Columbia	June 1, 1976	$3.00	17 and under $2.60
itoba	September 1, 1976	$2.95	under 18: $2.70
Brunswick	November 1, 1976	$2.80	no special rates
foundland	January 1, 1976	$2.50	no special rates
a Scotia	January 1, 1977	$2.75	14 to 18: $2.50
ario	March 15, 1976 August 1, 1978 January 1, 1979	$2.65 $2.85 $3.00	Students under 18 employed less than 28 hours in a week or during a school holiday: $2.15
ce Edward Island	July 1, 1977 July 1, 1978	$2.70 $2.75	under 18: $2.35 under 18: $2.40
bec	January 1, 1978	$3.27	under 18: $3.07
katchewan	January 31, 1978 June 30, 1978	$3.15 $3.25	no special rates no special rates
thwest Territories	June 7, 1976	$3.00	under 17: $2.55
on Territory	April 1, 1976	$3.00	no special rates



STRIKES AND LOCKOUTS

Statistical information on work stoppages in Canada is compiled by the Labour Data Branch of the Canada Department of Labour on the basis of reports from the Canada Manpower Division, Department of Manpower and Immigration. The tables cover strikes and lockouts that amount to 10 or more man-days. The number of workers involved includes all workers reported on strike or lockout, whether or not they all belonged to the union directly involved in the disputes leading to the work stoppages. Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included.

TIME PERSPECTIVE ON WORK STOPPAGES, DECEMBER 1977

Period	Number beginning during month	Work stoppages in existence during month or year			Per cent of estimated working time
		Number	Workers involved	Duration in man-days	
Year					
1973	677	724	348,470	5,776,080	0.30
1974	1,173	1,218	580,912	9,221,890	0.46
1975	1,103	1,171	506,443	10,908,810	0.53
1976	921	1,039	1,570,940	11,609,890	0.55
1977(1)	712	777	209,796	3,420,860	0.16
1976					
December	37	110	45,090	249,020	0.13
1977(2)					
January	49	114	29,257	224,380	0.13
February	46	109	19,510	175,520	0.12
March	71	131	23,444	210,630	0.12
April	78	150	38,439	331,380	0.21
May	72	152	34,853	298,340	0.20
June	69	156	37,218	314,180	0.17
July	51	138	38,698	406,080	0.25
August	77	156	35,812	352,710	0.20
September	74	174	31,446	263,530	0.17
October	53	128	21,119	203,700	0.14
November	49	115	33,084	271,850	0.17
December	23	100	25,439	368,560	0.21

(1) Preliminary
(2) Revised, but not final

WORK STOPAGES BY INDUSTRY, DECEMBER 1977 (Preliminary)

Industry	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Dec.)
		Number	Workers involved	Duration in man-days	
Agriculture	0	0	0	0	0
Forestry	0	0	0	0	22,960
Fishing	0	0	0	0	14,960
Mines	0	1	10	200	93,930
Manufacturing	4	35	6,101	99,130	1,730,620
Construction	2	5	1,214	6,780	416,880
Transp. & Utilities	10	20	13,689	223,030	518,710
Trade	2	10	574	8,680	147,920
Finance	0	0	0	0	10,520
Service	3	22	3,085	27,220	347,380
Public Admin.	2	7	766	3,520	116,980
Various industries	0	0	0	0	0
TOTAL	23	100	25,439	368,560	3,420,860

WORK STOPPAGES BY JURISDICTION, DECEMBER, 1977 (Preliminary)

Jurisdiction	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Dec.)
		Number	Workers involved	Duration in man-days	
Nfld	0	1	813	160	96,660
P.E.I.	0	0	0	0	0
N.S.	0	3	97	660	22,260
N.B.	0	1	350	700	38,370
Quebec	4	40	8,574	114,990	1,385,130
Ontario	6	25	3,048	25,930	1,106,540
Manitoba	0	1	7	140	19,680
Saskatchewan	1	3	255	2,700	30,140
Alberta	0	4	475	7,330	80,260
B.C.	2	6	545	5,540	148,850
Yukon & N.W.T.	0	0	0	0	0
Total, provinces	13	84	14,164	158,150	2,927,880
Federal Public Service(1)	8	8	751	3,600	16,600
Federal Industries(2)	2	8	10,524	206,810	476,370
Federal total	10	16	11,275	210,410	492,970
TOTAL	23	100	25,439	368,560	3,420,860

(1) Covered under the Public Service Staff Relations Act.
(2) Covered under the Canada Labour Code: Part V.

NOTE: Numbers relate only to workers directly involved in the dispute.